Manitoba

Annual Report 2001 - 2002

Finance

Special Operating Agencies
Financing Authority

Includes 10% post-consumer waste

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Peter M. Liba, C.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting for the information of Your Honour the Tenth Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2002.

Respectfully submitted,

Honourable Greg Selinger
Minister

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

À son Honneur
L'honorable Peter M. Liba, C.M.
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C OV8

Monsieur le Lieutenant-gouverneur,

J'ai le privilège de présenter à Votre Honneur, à titre d'information, le dixième rapport annuel de l'Office de financement des organismes de service spécial pour l'exercice terminé le 31 mars 2002.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Le ministre des Finances,

Greg Selinger

Manitoba

Finance

Treasury Board Secretariat

2nd Floor - 386 Broadway
Winnipeg, Manitoba
R3C 3R6

Honourable Greg Selinger
Minister of Finance
Room 103, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Minister:

I have the honour to submit for your consideration the Tenth Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2002.

Respectfully submitted,

Wayne L. McIntosh
Acting Chairperson,
Special Operating Agencies Financing Authority

Table of Contents

103-04590/

TITLE	PAGE
Title Page	1
Minister's Letter	3
Chairperson's Letter	7
Table of Contents	9
The Special Operating Agencies Initiative / *L'initiative relative aux organismes de service spécial*	11
The Special Operating Agencies Financing Authority / *L'Office de financement des organismes de service spécial*	14
2001/02 Operations / *Activités pendant l'exercice 2001-2002*	16
Financial Highlights / *Faits saillants financiers*	16
Preparations for New Agencies and Subsequent Events / *Préparations pour de nouveaux organismes et des manifestations ultérieures*	16
Accomplishments / *Réalisations*	17
2002/03 Plans / *Plans pour l'exercice 2002-2003*	18
Agency Results through 2001/02 / *Résultats des organismes durant l'exercice 2001-2002*	19
Management Report	41
Auditors' Report	43
Financial Statements	44
Combined Balance Sheet	44
Combined Statement of Income and Retained Earnings	45
Combined Statement of Cash Flows	46
Notes to the Financial Statements	47
Appendix - Agency Financial Statements	57

The Special Operating Agencies Initiative

The Province of Manitoba adopted Special Operating Agencies (SOAs) as a program delivery and financing option in 1992. SOAs are service operations within government granted more direct responsibility for results and increased management flexibility needed to reach new levels of performance. Through strengthened accountability to their Minister and central government, they can improve the delivery of services by:

- ensuring operations are clearly defined and well understood;
- setting demanding performance goals and developing strategies for attaining them;
- applying the best public sector management practices; and
- monitoring performance to ensure continuous progress toward goals.

The aim of SOAs is to give greater authority and scope to managers and employees to encourage initiative, enhance service, and reduce the cost of government. Service and management improvements are built on pride in the capabilities and dedication of the professional Civil Service. The ultimate success of SOAs depends on people and the enthusiasm they bring to the job.

SOAs exist somewhere along an organizational continuum between a government department and a Crown corporation. Candidates can be direct public services, internal services to government, science and technology services, or regulatory and enforcement programs. In addition to accounting fully for their operations, they must be dedicated to improving service quality and efficiency.

SOAs are manifestations of the *New Public Management*, variations of which have proven successful at the federal level in Canada and abroad. Encouraged by these experiments, the development of SOAs in Manitoba is a matter of government policy, consistent with continuing alternative service delivery efforts.

L'initiative relative aux organismes de service spécial

En 1992, la province du Manitoba a adopté les organismes de service spécial (OSS) à titre d'option de financement et de prestation de programmes. Les OSS, qui assurent un soutien logistique au sein du gouvernement, ont des responsabilités plus directes en ce qui concerne les résultats et une plus grande souplesse de gestion nécessaire pour atteindre de nouveaux niveaux de rendement. Moyennant une responsabilité accrue à l'égard de leur Ministre et du gouvernement central, ils peuvent améliorer la prestation des services :

- en veillant à ce que les activités soient clairement définies et bien comprises;
- en se fixant des objectifs de rendement élevés et en élaborant des stratégies pour les atteindre;
- en appliquant les meilleures pratiques de gestion du secteur public;
- en surveillant le rendement afin de garantir une progression continue vers les objectifs.

Les OSS ont pour but d'élargir le pouvoir et la portée des gestionnaires et des employés afin d'encourager l'initiative, d'améliorer les services et de réduire le coût de l'administration publique. L'amélioration des services et de la gestion repose sur la fierté des capacités et le dévouement d'une fonction publique professionnelle. Le succès des OSS dépend, en définitive, des personnes et de leur enthousiasme au travail.

Dans le continuum organisationnel, les OSS se situent quelque part entre les ministères et les sociétés d'État. Les candidats peuvent être des services publics directs, des services internes du gouvernement, des services scientifiques et technologiques ou des programmes de réglementation et d'application de la loi. En plus de rendre totalement compte de leurs activités, ils doivent constamment s'efforcer d'améliorer la qualité et l'efficacité du service.

Les OSS sont des manifestations de la *nouvelle gestion publique* dont des variantes se sont révélées fructueuses au palier fédéral au Canada et à l'étranger. Encouragé par ces expériences, le Manitoba a fait de la mise sur pied d'OSS une question de politique gouvernementale, conforme aux efforts continus visant à offrir d'autres solutions en matière de prestation de services.

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The Fleet Vehicles Agency was established as the first SOA in Manitoba and at the provincial level in Canada. Within four years of establishment as a SOA, it served government transportation needs with 20% fewer vehicles, at 5% below market prices, for an estimated saving of close to $6 million. Building on this success, the complement of SOAs has reached seventeen, representing 5% of the Civil Service and $116 million in business for government. The schedule of SOAs follows.

L'Organisme chargé des véhicules gouvernementaux a été le premier OSS créé au Manitoba et au palier provincial au Canada. Depuis sa création, il y a quatre ans, il a répondu aux besoins du gouvernement en matière de transport avec 20 % de moins de véhicules, à 5 % en dessous des prix du marché et en faisant réaliser des économies estimées à près de 6 millions de dollars. Fort de ce succès, le Manitoba compte maintenant 17 OSS qui représentent 5 % de la fonction publique et 116 millions de chiffre d'affaires pour le gouvernement. Voici l'ordre chronologique de création des OSS manitobains.

MANITOBA'S 17 SPECIAL OPERATING AGENCIES

1992/93
Fleet Vehicles Agency

1993/94
Materials Distribution Agency

1994/95
Organization and Staff Development
Vital Statistics Agency

1995/96
Civil Legal Services
MERLIN
Land Management Services
Pineland Forest Nursery

1996/97
Companies Office
Manitoba Text Book Bureau
Mail Management Agency
Industrial Technology Centre
The Public Trustee
Office of the Fire Commissioner
Food Development Centre

1997/98
The Property Registry

1999/2000
Manitoba Securities Commission

LES 17 ORGANISMES DE SERVICE SPÉCIAL DU MANITOBA

1992-1993
Organisme chargé des véhicules gouvernementaux

1993-1994
Organisme chargé de la distribution du matériel

1994-1995
Organisme chargé du perfectionnement et de la formation
Bureau de l'état civil

1995-1996
Bureau du contentieux civil
MERLIN
Services de gestion foncière
Pépinière de la forêt de Pineland

1996-1997
Office des compagnies
Centre des manuels scolaires du Manitoba
Organisme de gestion du courrier
Centre de technologie industrielle
Curateur public
Bureau du commissaire aux incendies
Centre de développement des produits alimentaires

1997-1998
Office d'enregistrement des titres et des instruments

1999-2000
Commission des valeurs mobilières du Manitoba

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MANITOBA'S 17 SPECIAL OPERATING AGENCIES	LES 17 ORGANISMES DE SERVICE SPÉCIAL DU MANITOBA
1992/93 Fleet Vehicles Agency	**1992-1993** Organisme chargé des véhicules gouvernementaux
1993/94 Materials Distribution Agency	**1993-1994** Organisme chargé de la distribution du matériel
1994/95 Organization and Staff Development Vital Statistics Agency	**1994-1995** Organisme chargé du perfectionnement et de la formation Bureau de l'état civil
1995/96 Civil Legal Services MERLIN Land Management Services Pineland Forest Nursery	**1995-1996** Bureau du contentieux civil MERLIN Services de gestion foncière Pépinière de la forêt de Pineland
1996/97 Companies Office Manitoba Text Book Bureau Mail Management Agency Industrial Technology Centre The Public Trustee Office of the Fire Commissioner Food Development Centre	**1996-1997** Office des compagnies Centre des manuels scolaires du Manitoba Organisme de gestion du courrier Centre de technologie industrielle Curateur public Bureau du commissaire aux incendies Centre de développement des produits alimentaires
1997/98 The Property Registry	**1997-1998** Office d'enregistrement des titres et des instruments
1999/2000 Manitoba Securities Commission	**1999-2000** Commission des valeurs mobilières du Manitoba

The Province continues to refine the SOA concept. Additional agencies will be considered in future years based on priority and acceptability.

La province continue d'améliorer le concept des OSS. D'autres organismes seront envisagés dans les années à venir, selon les priorités et l'acceptabilité.

Other governments are looking increasingly to Manitoba's initiative as a model for their operations. SOAs are seen as a practical, enterprising response to the very difficult fiscal and service delivery challenges facing government today.

D'autres gouvernements étudient de plus en plus l'initiative du Manitoba afin de s'en inspirer. Les OSS sont considérés comme étant une réponse pratique et dynamique aux défis très délicats sur le plan financier et sur celui de la prestation de services que le gouvernement doit relever aujourd'hui.

The Special Operating Agencies Financing Authority

The SOA Financing Authority was established April 1, 1992 under authority of ***The Special Operating Agencies Financing Authority Act.*** The Financing Authority and its Chairperson operate under the direction of the Minister of Finance. Treasury Board acts as the primary decision-making body, while the Department of Finance and Treasury Board Secretariat supply staff support.

The Financing Authority provides a mechanism for funding SOAs outside the parameters of the Consolidated Fund. It holds and acquires assets associated with SOA operations and finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like way within government policy expectations.

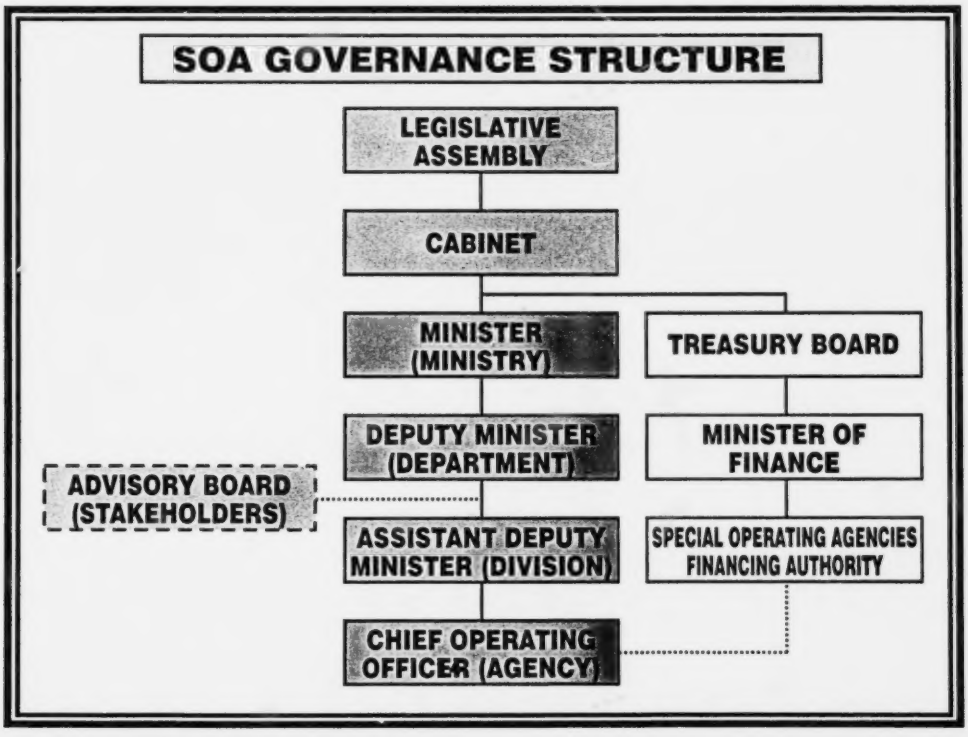
Each agency has an operating charter and management agreement that outline its individual governance and administrative arrangements. Accountability is assured through annual business plans, audits, and reports forwarded through its advisory board to the Financing Authority. In turn, the Financing Authority is audited and submits an annual report on overall SOA operations to the Minister of Finance for tabling in the Legislature. The governance structure is depicted below.

L'Office de financement des organismes de service spécial

L'Office de financement des OSS a été créé le 1er avril 1992 en vertu de la ***Loi sur l'Office de financement des organismes de service spécial.*** L'Office de financement et son président agissent sous la direction du ministre des Finances. Le Conseil du Trésor est le principal organe décisionnel, tandis que le ministère des Finances et le Secrétariat du Conseil du Trésor fournissent le personnel auxiliaire.

L'Office de financement permet de financer les OSS en dehors des paramètres du Fonds consolidé. Il détient et acquiert des actifs liés aux activités des OSS, qu'il finance par le biais de capitaux d'apport, de prêts remboursables et d'avances de fonds de roulement. Ce cadre financier permet aux OSS de fonctionner comme des entreprises tout en respectant les attentes politiques du gouvernement.

Chaque organisme a une charte et un accord de gestion qui exposent sa régie et les dispositions administratives le concernant. La responsabilité est assurée par des plans d'activités, des vérifications et des rapports annuels qui sont transmis à l'Office de financement par l'intermédiaire du conseil consultatif de chacun. L'Office de financement lui-même fait l'objet d'une vérification et remet un rapport annuel sur les activités globales des OSS au ministre des Finances, qui le déposera à l'Assemblée législative. La structure de régie est présentée ci-dessous.



The Chairperson of the Financing Authority is also the SOA Coordinator, who reports to the Secretary to Treasury Board. The mission is:

To provide corporate leadership, direction, and coordination of the Special Operating Agencies reform initiative, with a view to continuously improving the quality of management and services across the Manitoba Government.

The position is responsible for coordinating the planning, design, implementation, and evaluation of SOAs. The coordination role requires the incumbent to:

- provide overall planning and consultative support to departments in the prioritized examination of SOA status for their best candidates;
- facilitate and support awareness, orientation, education, information-sharing, and dialogue among stakeholders and with other interested parties;
- explore and nurture complementary management and service improvements arising from SOA consultative work; and
- contribute through teamwork and professional competence to the role of Treasury Board in managing change.

A small percentage of the incumbent's time is devoted to the governance role as Chairperson and sole member comprising the Financing Authority. In this capacity, the incumbent oversees and manages the Financing Authority's affairs in compliance with statutory, policy, and management requirements. Much of this work concerns final approvals leading to start-up of new SOAs, as well as ongoing accountability requirements for established SOAs.

The Treasury Board Secretariat provides for the Chairperson's/Coordinator's basic salary, benefits, and operating costs in support of this corporate initiative. In addition, SOAs are assessed an annual levy to fund identifiable expenses associated with Financing Authority operations. The levy is prorated against the Financing Authority's annual budget based on each SOA's projected gross revenue.

Le président de l'Office de financement est également coordonnateur des OSS et il relève du Secrétariat du Conseil du Trésor. Il a pour mission de :

Fournir une orientation, une coordination et un leadership généraux dans l'initiative de réforme des organismes de service spécial, l'objectif étant de d'améliorer constamment la qualité de la gestion et des services dans tout le gouvernement du Manitoba.

Le président est chargé de coordonner la planification, la conception, la mise en œuvre et l'évaluation des OSS. En sa qualité de coordonnateur, il doit :

- apporter aux ministères un appui général en matière de planification et de consultation dans l'examen par ordre de priorité du statut d'OSS de leurs meilleurs candidats;
- faciliter et soutenir la sensibilisation, l'orientation, l'éducation, le partage de l'information et le dialogue parmi les intervenants et d'autres parties intéressées;
- étudier et favoriser d'autres améliorations de la gestion et des services découlant des travaux consultatifs relatifs aux OSS;
- contribuer, par un travail d'équipe et des compétences professionnelles, au rôle du Conseil du Trésor dans la gestion du changement.

Le titulaire consacre une petite partie de son temps au rôle de gestion en sa qualité de président et de membre unique de l'Office de financement. À ce titre, il supervise et gère les affaires de l'Office de financement conformément aux exigences réglementaires, politiques et de gestion. Une bonne partie de son travail concerne les approbations finales conduisant à la création de nouveaux OSS ainsi que les obligations redditionnelles des OSS existants.

Le Secrétariat du Conseil du Trésor fournit le salaire de base, les avantages sociaux et les coûts de fonctionnement du président/coordonnateur, en appui à cette initiative collective. De plus, une contribution annuelle est prélevée sur les OSS pour financer les dépenses identifiables liées aux activités de l'Office de financement. La contribution est calculée au prorata, par rapport au budget annuel de l'Office de financement, en se fondant sur le revenu brut prévisionnel des OSS.

2001/02 Operations

The operations of the Financing Authority for the fiscal year ended March 31, 2002 were limited to the operations and financial results of the seventeen SOAs. The auditors' opinions and related management reports are included with the agencies' financial statements as an appendix to this report.

Activités pendant l'exercice 2001 - 2002

Pendant l'exercice qui s'est terminé le 31 mars 2002, les activités de l'Office de financement se sont limitées aux activités et aux résultats financiers des 17 OSS. Les avis des vérificateurs et les rapports de gestion connexes sont joints aux états financiers des organismes en annexe au présent rapport.

Financial Highlights

- Increase of $1,296,000 (2001 - $2,311,000) in the balance of retained earnings to $30,052,000 (2001 - $28,756,000).
- Transfer of $12,545,000 (2001 - $13,125,000) in designated surpluses to the Consolidated Fund on behalf of the Fleet Vehicles Agency ($1,100,000), Materials Distribution Agency ($400,000), Vital Statistics Agency ($235,000), Land Management Services ($250,000), Companies Office ($1,960,000), The Property Registry ($3,100,000), and Manitoba Securities Commission ($5,500,000).
- Aggregate authority of up to $20,370,000 (2001 - $20,370,000) in working capital advances at any one time, $8,711,000 (2001 - $8,746,000) of which was utilized at fiscal year-end.
- Increase of $4,810,000 (2001 $1,202,000 - increase) in the balance of long-term debt to $13,922,000 (2001 - $9,112,000).

Faits saillants financiers

- Augmentation de 1 296 000 $ (2001 – 2 311 000 $) du solde des bénéfices non répartis, qui passe à 30 052 000 $ (2001 – 28 756 000 $).
- Transfert de 12 545 000 $ (2001 – 13 125 000 $), à titre de surplus désignés, au Fonds consolidé, au nom de l'Organisme chargé des véhicules gouvernementaux (1 100 000 $), de l'Organisme chargé de la distribution du matériel (400 000 $), du Bureau de l'état civil (235 000 $), des Services de gestion foncière (250 000 $), de l'Office des compagnies (1 960 000 $), de l'Office d'enregistrement des titres et des instruments (3 100 000 $) et de la Commission des valeurs mobilières du Manitoba (5 500 000 $).
- Pouvoir global de 20 370 000 $ (2001 – 20 370 000 $) en avances de fonds de roulement à tout moment, dont 8 711 000 $ (2001 – 8 746 000 $) avaient été utilisés à la fin de l'exercice.
- Augmentation de 4 810 000 $ (2001 – augmentation de 1 202 000 $) du solde des dettes à long terme, qui passent à 13 922 000 $ (2001 – 9 112 000 $).

Preparations for New Agencies and Subsequent Events

During 2001/02, the Financing Authority did not arrange SOA status for any new agencies. Work with a shortlist of candidates continued into 2002/03.

Préparations pour de nouveaux organismes et des manifestations ultérieures

Durant l'exercice 2001-2002, l'Office de financement n'a organisé le statut d'OSS pour aucun nouvel organisme. Les travaux ont continué dans l'exercice 2002-2003 sur une liste restreinte.

Accomplishments

In the past year, the Chairperson/Coordinator:

- guided the eight next-best candidates along the SOA development process;
- participated on the Steering Committees overseeing evaluation of The Property Registry; and
- prepared and issued the 2000/01 Financing Authority annual report.

Réalisations

Au cours de l'année écoulée, le président/coordonnateur :

- a guidé les huit meilleurs candidats suivants dans le processus de création des OSS;
- a participé au Comité directeur chargé de superviser l'évaluation de l'Office d'enregistrement des titres et des instruments;
- a préparé et publié le rapport annuel 2000-2001 de l'Office de financement.

2002/03 Plans

In the coming year, the Chairperson/Coordinator will:

- guide the next-best candidates along the development process for potential 2003/04 or subsequent start-up;
- participate on the Steering Committee overseeing evaluation of The Manitoba Securities Commission; and
- prepare and issue the 2001/02 Financing Authority annual report.

Plans pour l'exercice 2002-2003

Au cours de l'année à venir, le président/coordonnateur :

- guidera les prochains meilleurs candidats dans le processus de création en vue d'une mise sur pied possible en 2003-2004 ou plus tard;
- participera au Comité directeur qui supervise l'évaluation de la Commission des valeurs mobilières du Manitoba;
- préparera et publiera le rapport annuel 2001-2002 de l'Office de financement.

Agency Results through 2001/02

The following pages profile the operations and performance of the seventeen SOAs operating during the 2001/02 fiscal year. The agencies' 2001/02 annual reports should be consulted for further information.

The SOA balanced scorecard summarizes world-class outcomes in delivering services for Manitobans.

Combined financial results:

- 25% ($33 million) cost-savings to government in 2001/02
- 44% ($36 million) growth in revenues through 2001/02
- 228% ($65 million) growth in assets through 2001/02
- 99% ($10.8 million) repayment of original long-term debt owing to the Province through 2001/02
- 178% ($31 million) return on Manitoba's contributed equity through 2001/02
- $58 million in surpluses committed to the provincial treasury through 2002/03.

Private sector economic development:

- 1117 employment opportunities through 2001/02
- $166 million in current and future years' sales, R&D, cost-savings, and investment through 2001/02.

Improved service (averaged across SOAs reporting relevant metrics):

- 98% on-time response to client requests in 2001/02
- 54% increase in service volume through 2001/02
- 112% increase in clientele through 2001/02
- 93% client/stakeholder satisfaction in 2001/02.

Résultats des organismes durant l'exercice 2001 - 2002

Les pages suivantes établissent le profil des activités et des résultats des 17 OSS opérationnels durant l'exercice 2001-2002. Pour plus de détails, veuillez consulter les rapports annuels des organismes pour l'exercice 2001-2002.

L'équilibre de la structure des OSS résume des résultats de tout premier ordre en ce qui concerne la prestation des services aux Manitobains.

Résultats financiers combinés :

- 25 % (33 millions de dollars) d'économies pour le gouvernement pendant l'exercice 2001-2002
- 44 % (36 millions de dollars) de croissance des recettes pendant l'exercice 2001-2002
- 228 % (65 millions de dollars) de croissance de l'actif pendant l'exercice 2001-2002
- 99 % (10,8 millions de dollars) de remboursement de la dette à long terme initiale à l'égard de la province pendant l'exercice 2001-2002
- 178 % (31 millions de dollars) de rendement sur le capital d'apport du Manitoba pendant l'exercice 2001-2002
- 58 millions de dollars d'excédents versés au Trésor provincial pendant l'exercice 2002-2003.

Développement économique du secteur privé :

- 1 117 possibilités d'emploi pendant l'exercice 2001-2002
- 166 millions de dollars en ventes, R-D, économies et investissements courants et futurs pendant l'exercice 2001-2002.

Amélioration du service (en moyenne des OSS qui transmettent les paramètres pertinents) :

- 98 % de ponctualité dans les réponses aux demandes de renseignements des clients pendant l'exercice 2001-2002
- 54 % d'augmentation du volume de services pendant l'exercice 2001-2002
- 112 % d'augmentation de la clientèle pendant l'exercice 2001-2002
- 93 % de satisfaction des clients et des personnes intéressées pendant l'exercice 2001-2002.

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Fleet Vehicles Agency	Transportation and Government Services	Dennis Ducharme Chief Operating Officer 626 Henry Avenue Winnipeg, MB R3A 1P7 (204) 945-3680 (204) 957-1109 (fax) dducharme@gov.mb.ca www.fva.gov.mb.ca French Language Services: Derek Boutang (204) 945-4326 deboutang@gov.mb.ca	April 1, 1992	To provide complete vehicle and equipment management services for the Manitoba Government and broader public sector.
Organisme chargé des véhicules gouvernementaux	Voirie et Services gouvernementaux	Dennis Ducharme Directeur général 626, avenue Henry Winnipeg (Manitoba) R3A 1P7 (204) 945-3680 (204) 957-1109 (télécopieur) dducharme@gov.mb.ca www.fva.gov.mb.ca Services en français : Derek Boutang (204) 945-4326 deboutang@gov.mb.ca	1er avril 1992	Fournir des services complets de gestion de l'équipement et des véhicules au gouvernement du Manitoba et au secteur public en général.
Materials Distribution Agency	Transportation and Government Services	Susan Boulter Chief Operating Officer 1680 Church Avenue Winnipeg, MB R2X 2W9 (204) 945-6043 (204) 948-2737 (fax) sboulter@gov.mb.ca French Language Services: Peter Roberts (204) 945-0391 proberts@gov.mb.ca	April 1, 1993	To provide complete materials management services for the Manitoba Government and broader public sector.
Organisme chargé de la distribution du matériel	Voirie et Services gouvernementaux	Susan Boulter Directrice générale 1680, avenue Church Winnipeg (Manitoba) R2X 2W9 (204) 945-6043 (204) 948-2737 (télécopieur) sboulter@gov.mb.ca Services en français : Peter Roberts (204) 945-0391 proberts@gov.mb.ca	1er avril 1993	Fournir des services complets de gestion du matériel au gouvernement du Manitoba et au secteur public en général.

Staff (FTE) Personnel (ETP)	2001/02 Financial Results ($000) Résultats financiers en 2001-2002 (en milliers de dollars)	Actual Réels	Budget Budget	Key Results through 2001/02 Principaux résultats obtenus au cours de l'exercice 2001-2002
49	Revenue	24,956	23,600	• 10% average annual return on revenue
	Expenses	(22,031)	(21,845)	• $8.2 million long-term debt retired fifteen years ahead of schedule
	Net Income (Loss)	2,925	1,755	• 20% fewer vehicles in fleet by 1995, resulting in $5 million annual cost-saving
	Revenue Sharing	(1,100)	(1,000)	• launched ambulance replacement and management program with 60 ambulances leased to Manitoba Health for use by the Regional Health Authorities
	Retained Earnings	12,469	11,399	• 24.2% decrease in projected days for sales in receivables in 2002
				• >85% productivity on shop floor for maintenance and repairs
				• <1% client comeback rate
				• 100% client retention following conversion to optional services in 1996
49	Recettes	24 956	23 600	• 10 % de rendement moyen annuel sur les recettes
	Dépenses	(22 031)	(21 845)	• 8,2 millions de dollars de dettes à long terme remboursées avec 15 ans d'avance sur l'échéancier
	Résultat net (Perte)	2 925	1 755	• 20 % de moins de véhicules dans le parc en 1995, soit une économie annuelle de 5 millions de dollars
	Partage des recettes	(1 100)	(1 000)	• lancement d'un programme de remplacement et de gestion des ambulances dont 60 ambulances louées à Santé Manitoba qui sont utilisées par les offices régionaux de la santé
	Bénéfices non répartis	12 469	11 399	• 24,2 % de réduction du délai moyen prévu de règlement des comptes clients en 2002
				• >85 % de productivité dans les ateliers pour l'entretien et les réparations
				• <1% des clients sont insatisfaits
				• 100 % des clients conservés après la conversion aux services facultatifs, en 1996
52	Revenue	18,771	15,989	• $732,200 original and $513,600 subsequent long-term debt retired six and three years ahead of schedule, respectively
	Expenses	(18,267)	(15,439)	• $107,000 sales volume discounts for preferred clients in 2001/02
	Net Income (Loss)	504	550	• $212,000 price break to clients
	Revenue Sharing	(400)	(400)	• 123% increase in public sector client base to 3,866 customers
	Retained Earnings	3,951	3,997	• 17,000 new public clients under Home Care Program since 1997
				• 215% increase in sales
				• >98% response to orders within time standards
				• 99% supply of in-stock items
52	Recettes	18 771	15 989	• 732 200 $ de dettes originales et 513600 $ de dettes ultérieures à long terme remboursées avec six et trois ans d'avance sur l'échéancier, respectivement
	Dépenses	(18 267)	(15 439)	• 107 000 $ d'escompte sur le volume de ventes aux clients privilégiés en l'an 2001-2002
	Résultat net (Perte)	504	550	• 212 000 $ de réduction aux clients
	Partage des recettes	(400)	(400)	• 123 % d'augmentation de la clientèle du secteur public, qui passe à 3 866 clients
	Bénéfices non répartis	3 951	3 997	• 17 000 nouveaux clients publics dans le cadre du *Home Care Program* depuis 1997
				• 215 % d'augmentation des ventes
				• >98 % des commandes honorées dans les délais normaux
				• 99 % de fourniture d'articles en stock

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Organization and Staff Development	Civil Service Commission	Herb Robertson Director 935 - 155 Carlton Street Winnipeg, MB R3C 3H8 (204) 945-4865 (204) 948-2165 (fax) hrobertson@gov.mb.ca www.gov.mb.ca/csc/osd French Language Services: Diane Netzel (204) 945-2276 dnetzel@gov.mb.ca	April 1, 1994	To provide training and consulting services that support implementation of corporate human resource priorities and that improve organization effectiveness in the Manitoba Government and broader public sector.
Organisme chargé du perfectionnement et de la formation	Commission de la fonction publique	Herb Robertson Directeur 155, rue Carlton, bureau 935 Winnipeg (Manitoba) R3C 3H8 (204) 945-4865 (204) 948-2165 (télécopieur) hrobertson@gov.mb.ca www.gov.mb.ca/csc/osd Services en français : Diane Netzel (204) 945-2276 dnetzel@gov.mb.ca	1er avril 1994	Fournir des services de formation et de conseils en appui à la mise en œuvre des priorités en matière de ressources humaines ministérielles et de façon à améliorer l'efficacité organisationnelle du gouvernement du Manitoba et du secteur public en général.
Vital Statistics Agency	Consumer and Corporate Affairs	Caroline Kaus Director 254 Portage Avenue Winnipeg, MB R3C 0B6 (204) 945-8178 (204) 945-0424 (fax) ckaus@gov.mb.ca French Language Services: Doreen Payette (204) 945-5500 dpayette@gov.mb.ca	April 1, 1994	To register and issue certificates for all vital events occurring in Manitoba, including births, marriages, deaths, stillbirths, and changes of name.
Bureau de l'état civil	Consommation et Corporations	Caroline Kaus Directrice 254, avenue du Portage Winnipeg (Manitoba) R3C 0B6 (204) 945-8178 (204) 945-0424 (télécopieur) ckaus@gov.mb.ca Services en français : Doreen Payette (204) 945-5500 dpayette@gov.mb.ca	1er avril 1994	Enregistrer et délivrer des certificats pour tous les événements démographiques qui surviennent au Manitoba, y compris les naissances, les mariages, les décès, les enfants morts-nés et les changements de nom.

Staff (FTE) Personnel (ETP)	2001/02 Financial Results ($000) Résultats financiers en 2001-2002 (en milliers de dollars)			Key Results through 2001/02 Principaux résultats obtenus au cours de l'exercice 2001-2002
		Actual Réels	Budget Budget	
7	Revenue	1,318	1,118	• 99% increase in workshops and in-organization consulting projects
	Expenses	(1,196)	(1,104)	• 432% increase in consulting projects
	Net Income (Loss)	122	14	• 79% increase in external vendor partnerships, from 49% to 84%
	Retained Earnings	382	274	• 44% increase in participants in workshops and projects
7	Recettes	1 318	1 118	• 99 % d'augmentation du nombre d'ateliers et de projets de consultation au sein des organismes
	Dépenses	(1 196)	(1 104)	• 432 % d'augmentation des projets de consultation
	Résultat net (Perte)	122	14	• 79 % d'augmentation des partenariats avec les fournisseurs, qui passent de 49 % à 84 % des contrats
	Bénéfices non répartis	382	274	• 44 % d'augmentation du nombre de participants aux ateliers et aux projets
34.5	Revenue	2,402	2,530	• 98% immediate response to clients on status of service applications in 2002
	Expenses	(2,331)	(2,442)	• 100% conversion of irreplaceable vital events records to microfilm
	Net Income (Loss)	71	88	• November 2001 launch of six Commemorative Marriage Certificates
	Revenue Sharing	(235)	(200)	
	Retained Earnings	937	989	
34,5	Recettes	2 402	2 530	• 98 % de réponses immédiates aux clients sur l'état des demandes de service en 2002
	Dépenses	(2 331)	(2 442)	• 100 % de conversion sur microfilm des enregistrements des données de l'état civil irremplaçables
	Résultat net (Perte)	71	88	• Novembre 2001 : lancement de six certificats de mariage commémoratifs
	Partage des recettes	(235)	(200)	
	Bénéfices non répartis	937	989	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Civil Legal Services	Justice	Tom Hague Director 730 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2846 (204) 948-2041 (fax) thague@gov.mb.ca French Language Services: Denis Guénette (204) 945-5183 dguenette@gov.mb.ca	April 1, 1995	To provide legal services that meet the needs of the Manitoba Government and its agencies, boards, commissions, and Crown corporations.
Bureau du contentieux civil	Justice	Tom Hague Directeur 405 Broadway, bureau 730 Winnipeg (Manitoba) R3C 3L6 (204) 945-2846 (204) 948-2041 (télécopieur) thague@gov.mb.ca Services en français : Denis Guénette (204) 945-5183 dguenette@gov.mb.ca	1er avril 1995	Fournir des services juridiques qui répondent aux besoins du gouvernement du Manitoba et de ses organismes, conseils, commissions et sociétés d'État.
Manitoba Education, Research and Learning Information Networks (MERLIN)	Education, Training and Youth	Greg Baylis Chief Operating Officer Room 137 Education Building University of Manitoba Winnipeg, MB R3T 2N2 (204) 474-7811 (204) 474-7830 (fax) gbaylis@merlin.mb.ca www.merlin.mb.ca French Language Services: Colette Lafond-D'Heilly (204) 474-7805 cdheilly@merlin.mb.ca	April 1, 1995	To support the use of technology in improving education services to learners.
Les Réseaux informatiques en apprentissage et en recherche pédagogique du Manitoba (MERLIN)	Éducation, Formation professionnelle et Jeunesse	Greg Baylis Directeur général Édifice Éducation, bureau 137 Université du Manitoba Winnipeg (Manitoba) R3T 2N2 (204) 474-7811 (204) 474-7830 (télécopieur) gbaylis@merlin.mb.ca www.merlin.mb.ca Services en français : Colette Lafond-D'Heilly (204) 474-7805 cdheilly@merlin.mb.ca	1er avril 1995	Appuyer l'utilisation de la technologie dans le but d'améliorer les services offerts aux apprenants en matière d'éducation.

Staff (FTE) Personnel (ETP)	2001/02 Financial Results ($000) Résultats financiers en 2001-2002 (en milliers de dollars)			Key Results through 2001/02 Principaux résultats obtenus au cours de l'exercice 2001-2002
		Actual Réels	Budget Budget	
59	Revenue	4,323	4,252	• $4.3 million cost-saving to government in 2002
	Expenses	(4,164)	(4,215)	• 45% volume/productivity increase
	Net Income (Loss)	159	37	• 94% client satisfaction rating in 2002
	Revenue Sharing	-	-	
	Retained Earnings	605	483	
59	Recettes	4 323	4 252	• 4,3 millions de dollars d'économie pour le gouvernement en 2002
	Dépenses	(4 164)	(4 215)	• 45 % d'augmentation du volume et de la productivité
	Résultat net (Perte)	159	37	• 94 % de satisfaction de la clientèle en 2002
	Partage des recettes	-	-	
	Bénéfices non répartis	605	483	
15	Revenue	2,663	2,644	• $360,654 cost-saving to education sector for audio conferencing and software licensing in 2001/02
	Expenses	(2,707)	2,715)	
	Net Income (Loss)	(44)	(71)	
	Accumulated Deficit	(394)	(421)	
15	Recettes	2 663	2 644	• 360 654 $ d'économies pour le secteur de l'éducation pour les conférences téléphoniques et les permis d'utilisation de logiciels en 2001-2002
	Dépenses	(2 707)	(2 715)	
	Résultat net (Perte)	(44)	(71)	
	Déficit accumulé	(394)	(421)	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Land Management Services	Transportation and Government Services	Rae Csversko Chief Operating Officer 308 – 25 Tupper Street North Portage la Prairie, MB R1N 3K1 (204) 239-3561 (204) 239-3560 (fax) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca French Language Services: Annette Lesage (204) 239-3510 alesage@gov.mb.ca	April 1, 1995	To provide complete real estate services for the Manitoba Government and broader public sector.
Services de gestion foncière	Voirie et Services gouvernementaux	Rae Csversko Directeur général 25, rue Tupper nord, bureau 308 Portage la Prairie (Manitoba) R1N 3K1 (204) 239-3561 (204) 239-3560 (télécopieur) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca Services en français : Annette Lesage (204) 239-3510 alesage@gov.mb.ca	1er avril 1995	Fournir au gouvernement du Manitoba et au secteur public en général des services complets en ce qui a trait aux biens immobiliers.
Pineland Forest Nursery	Conservation	Ivan Balenovic Chief Executive Officer Box 45 Hadashville, MB R0E 0X0 (204) 426-5235 (204) 426-2106 (fax) ibalenovic@gov.mb.ca www.pinelandforestnursery.com French Language Services: Gail Cielen (204) 945-4170 gcielen@gov.mb.ca	April 1, 1995	To make a direct contribution to the success of reforestation programs by continually improving and supplying superior quality products and services to clients in Canada and the United States.
Pépinière de la forêt Pineland	Conservation	Ivan Balenovic Directeur général Boite 45 Hadashville (Manitoba) R0E 0X0 (204) 426-5235 (204) 426-2106 (télécopieur) ibalenovic@gov.mb.ca www.pinelandforestnursery.com Services en français : Gail Cielen (204) 945-4170 gcielen@gov.mb.ca	1er avril 1995	Contribuer directement au succès des programmes de reboisement en fournissant constamment des produits et des services de qualité supérieure sans cesse améliorée à des clients se trouvant au Canada et aux États-Unis.

Staff (FTE) Personnel (ETP)	2001/02 Financial Results ($000) Résultats financiers en 2001-2002 (en milliers de dollars)	Actual Réels	Budget Budget	Key Results through 2001/02 Principaux résultats obtenus au cours de l'exercice 2001-2002
27	Revenue Expenses Net Income (Loss) Revenue Sharing Retained Earnings	2,219 (2,067) 152 (250) 875	2,798 (2,645) 153 (250) 876	• $14.4 million annualized cost-saving in grants-in-lieu of taxes from assessment reviews, with $6.4 million in refunds and $228 million in tax assessment reduction • $4.8 million new revenue from sale or lease of surplus government land and buildings • $2.0 million price break on market rates • 172% increase in clients
27	Recettes Dépenses Résultat net (Perte) Partage des recettes Bénéfices non répartis	2 219 (2 067) 152 (250) 875	2 798 (2 645) 153 (250) 876	• 14,4 millions de dollars d'économies annualisées en subventions tenant lieu de taxes provenant de l'examen d'évaluations, et 6,4 millions de dollars de remboursements et 228 millions de dollars de réduction sur les avis d'imposition • 4,8 millions de dollars de nouvelles recettes tirées de la vente ou de la location à bail de terres et d'édifices publics excédentaires • 2,0 millions de dollars de réduction par rapport aux taux du marché • 172 % d'augmentation du nombre de clients
39.15	Revenue Expenses Net Income (Loss) Retained Earnings	3,262 (3,199) 63 750	3,846 (3,967) (121) 566	• 300% increase in private sector revenue • 69% increase in production capacity to 22 million seedlings • 171% increase in number of clients to 19 • 1,000% increase in seed processing • 101% achievement of targets • 98% achievement of quality standards
39.15	Recettes Dépenses Résultat net (Perte) Bénéfices non répartis	3 262 (3 199) 63 750	3 846 (3 967) (121) 566	• 300 % d'augmentation de recettes provenant du secteur privé • 69 % d'augmentation de la capacité de production, qui est portée à 22 millions de semis • 171 % d'augmentation du nombre de clients, qui passe à 19 • 1 000 % d'augmentation dans le traitement des semences • 101 % de réussite par rapport aux objectifs • 98 % de réussite par rapport aux normes de qualité

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Companies Office	Consumer and Corporate Affairs	Myron Pawlowsky Chief Operating Officer 1010 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-4206 (204) 945-1459 (fax) mpawlowsky@gov.mb.ca www.gov.mb.ca/cca/comp_off/index.html French Language Services: Lorraine Lagimodiere (204) 945-2500 companies@gov.mb.ca	April 1, 1996	To register and search the names of all businesses and corporations operating in Manitoba.
Office des compagnies	Consommation et Corporations	Myron Pawlowsky Directeur général 405 Broadway, bureau 1010 Winnipeg (Manitoba) R3C 3L6 (204) 945-4206 (204) 945-1459 (télécopieur) mpawlowsky@gov.mb.ca www.gov.mb.ca/cca/comp_off/index.html Services en français : Lorraine Lagimodiere (204) 945-2500 companies@gov.mb.ca	1er avril 1996	Enregistrer et chercher le nom de toutes les entreprises et sociétés travaillant au Manitoba.
Manitoba Text Book Bureau	Education, Training and Youth	Lanny Kingerski Chief Operating Officer 130 - 1st Avenue West P.O. Box 910 Souris, MB R0X 2C0 (204) 483-5035 (204) 483-5041 (fax) lkingerski@gov.mb.ca www.mtbb.mb.ca French Language Services: Shantel Plett (204) 483-5034 splett@gov.mb.ca	April 1, 1996	To provide Manitoba schools with cost-effective educational learning resources and related products recommended by the Department of Education, Training and Youth.
Centre des manuels scolaires du Manitoba	Éducation, Formation professionnelle et Jeunesse	Lanny Kingerski Directeur général 130, 1re Avenue ouest B.P 910 Souris (Manitoba) R0X 2C0 (204) 483-5035 (204) 483-5041 (télécopieur) lkingerski@gov.mb.ca www.mtbb.mb.ca Services en français : Shantel Plett (204) 483-5034 splett@gov.mb.ca	1er avril 1996	Fournir aux écoles du Manitoba, et à un coût économique, des ressources éducatives et des produits connexes recommandés par le ministère de l'Éducation, de la Formation professionnelle et de la Jeunesse.

Staff (FTE) Personnel (ETP)	2001/02 Financial Results ($000) Résultats financiers en 2001-2002 (en milliers de dollars)	Actual Réels	Budget Budget	Key Results through 2001/02 Principaux résultats obtenus au cours de l'exercice 2001-2002
28.5	Revenue	3,909	3,823	• 56% increase in client on-line information searches • 95% client satisfaction rating in 2001 • 92% client satisfaction with personal telephone services in 2001 • 27% decrease in average service cycle time in 1998
	Expenses	(2,047)	(2,413)	
	Net Income (Loss)	1,862	1,410	
	Revenue Sharing	(1,960)	(1,850)	
	Retained Earnings	1,509	1,167	
28.5	Recettes	3 909	3 823	• 56 % d'augmentation du nombre de recherches de renseignements par des clients en ligne • 95 % de satisfaction de la clientèle en 2001 • 92 % de satisfaction de la clientèle en ce qui concerne les services personnels par téléphone en 2001 • 27 % de réduction dans la durée moyenne du cycle de service en 1998
	Dépenses	(2 047)	(2 413)	
	Résultat net (Perte)	1 862	1 410	
	Partage des recettes	(1 960)	(1 850)	
	Bénéfices non répartis	1 509	1 167	
9.63	Revenue	8,365	8,302	• $631,855 cost-saving to government through full cost accounting, and bulk purchasing of learning resources • 41% increase in sales • 67.6% increase in client on-line searches over 1999/2000 • 95% client satisfaction rating in 2000
	Expenses	(8,336)	(8,295)	
	Net Income (Loss)	29	7	
	Retained Earnings	111	89	
9.63	Recettes	8 365	8 302	• 631 855 $ d'économies pour le gouvernement grâce à la capitalisation du coût complet et à l'achat en gros de ressources éducatives • 41 % d'augmentation des ventes • 67,6 % d'augmentation du nombre de recherches de renseignements par des clients en ligne par rapport à 1999-2000 • 95 % de satisfaction de la clientèle en l'an 2000
	Dépenses	(8 336)	(8 295)	
	Résultat net (Perte)	29	7	
	Bénéfices non répartis	111	89	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Mail Management Agency	Transportation and Government Services	Don Katz Chief Operating Officer Lower Level, 200 Vaughan Street Winnipeg, MB R3C 1T5 (204) 945-4668 (204) 945-5753 (fax) dkatz@gov.mb.ca French Language Services: Angele Saaghy (204) 945-1173 asaaghy@gov.mb.ca	April 1, 1996	To provide centralized mail services to the Manitoba Government and broader public sector, enabling clients to expedite their products, information, and correspondence through the most appropriate distribution channels.
Organisme de gestion du courrier	Voirie et Services gouvernementaux	Don Katz Directeur général 200, rue Vaughan, niveau inférieur Winnipeg (Manitoba) R3C 1T5 (204) 945-4668 (204) 945-5753 (télécopieur) dkatz@gov.mb.ca Services en français : Angele Saaghy (204) 945-1173 asaaghy@gov.mb.ca	1er avril 1996	Fournir des services de courrier centralisés au gouvernement du Manitoba et au secteur public en général, afin de permettre aux clients d'expédier leurs produits, leur information et leur correspondance par les réseaux de distribution les plus appropriés.
Industrial Technology Centre	Industry, Trade and Mines	Trevor Cornell Chief Operating Officer 1329 Niakwa Road East Winnipeg, MB R2J 3T4 (204) 945-6126 (204) 945-1784 (fax) tcornell@itc.mb.ca www.itc.mb.ca French Language Services: Trevor Cornell (above)	April 1, 1996	To provide a wide range of technical services to business, industry, and government in support of technology-based economic development in Manitoba.
Centre de technologie industrielle	Industrie, Commerce et Mines	Trevor Cornell Directeur général 1329, route Niakwa est Winnipeg (Manitoba) R2J 3T4 (204) 945-6126 (204) 945-1784 (télécopieur) tcornell@itc.mb.ca www.itc.mb.ca Services en français : Trevor Cornell (ci-dessus)	1er avril 1996	Fournir toute une gamme de services techniques aux entreprises, à l'industrie et au gouvernement, en appui à un développement économique du Manitoba fondé sur la technologie.

Staff (FTE) Personnel (ETP)	2001/02 Financial Results ($000) Résultats financiers en 2001-2002 (en milliers de dollars)			Key Results through 2001/02 Principaux résultats obtenus au cours de l'exercice 2001-2002
		Actual Réels	Budget Budget	
24.05	Revenue Expenses Net Income (Loss) Retained Earnings	6,160 (6,358) (198) 290	6,089 (5,995) 94 582	• $525,000 cost-saving from courier contract administration • $100,000 cost-saving from ad-mail incentive mailings • $280,000 cost-saving to Agency clients under the 2002 interdepartmental mail stamp system • >99% on-time completion of mail processing activities • 99% on-time completion of mail finishing projects
24.05	Recettes Dépenses Résultat net (Perte) Bénéfices non répartis	6 160 (6 358) (198) 290	6 089 (5 995) 94 582	• 525 000 $ d'économies dans la gestion du contrat de messagerie • 100 000 $ d'économues dans les envois postaux publicitaires • 280 000 $ d'économies pour la clientèle de l'organisme grâce au système d'affranchissement interministériel en 2002 • >99 % d'exécution ponctuelle des activités de traitement du courrier • 99 % d'exécution ponctuelle des projets de finition du courrier
31.6	Revenue Expenses Net Income (Loss) Retained Earnings	2,795 (2,755) 40 1,202	3,134 (3,204) (70) 1,092	• 53% increase in fee-for-service revenue • 34% reduction in funding under departmental contribution agreement • 91% customer satisfaction in 2002 • 54 new jobs created in private sector in 2002 • 807 jobs saved/maintained in private sector in 2002 • $145 million economic development impact in private sector salaries, sales, R&D, cost-savings, and investment
31.6	Recettes Dépenses Résultat net (Perte) Bénéfices non répartis	2 795 (2 755) 40 1 202	3 134 (3 204) (70) 1 092	• 53 % d'augmentation des recettes tirées de la rémunération des services • 34 % de réduction du financement dans le cadre de l'accord de contribution ministériel • 91 % de satisfaction de la clientèle en 2002 • 54 emplois créés dans le secteur privé en 2002 • 807 emplois sauvés/maintenus dans le secteur privé en 2002 • 145 millions de dollars de retombées économiques sur le secteur privé sous forme de salaires, de ventes, de R-D, d'économies et d'investissements

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
The Public Trustee	Justice	Anne Bolton Public Trustee 13th Floor, 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2703 (204) 948-2251 (fax) abolton@gov.mb.ca French Language Services: Suzanne Lavallee (204) 945-8411 slavallee@gov.mb.ca	April 1, 1996	To provide professional and cost-effective trustee services of last resort that meet client needs and protect the interests of Manitobans.
Le curateur public	Justice	Anne Bolton Curatrice publique 405 Broadway, 13e étage Winnipeg (Manitoba) R3C 3L6 (204) 945-2703 (204) 948-2251 (télécopieur) abolton@gov.mb.ca Services en français : Suzanne Lavallee (204) 945-8411 slavallee@gov.mb.ca	1er avril 1996	Fournir des services de curateur de dernier recours, professionnels et rentables, qui répondent aux besoins des clients et protègent les intérêts des Manitobains.
Office of the Fire Commissioner	Labour and Immigration	Doug Popowich Fire Commissioner c/o 508 - 401 York Avenue Winnipeg, MB R3C 0P8 (204) 945-3322 / 726-6855 (204) 948-2089 (fax) dpopowich@gov.mb.ca French Language Services: Roger Brunet (204) 945-1285 rbrunet@gov.mb.ca	April 1, 1996	To safeguard persons and property in Manitoba from fire and life safety hazards through education, investigation, emergency response, and code application.
Bureau du commissaire aux incendies	Travail et Immigration	Doug Popowich Commissaire aux incendies a.b.s. 401, avenue York, bureau 508 Winnipeg (Manitoba) R3C 0P8 (204) 945-3322 / 726-6855 (204) 948-2089 (télécopieur) dpopowich@gov.mb.ca Services en français : Roger Brunet (204) 945-1285 rbrunet@gov.mb.ca	1er avril 1996	Protéger les biens et les personnes au Manitoba contre les incendies et les dangers posés à la sécurité des personnes, en éduquant le public, en procédant à des enquêtes, en intervenant en cas d'urgence et en appliquant les codes en vigueur.

Staff (FTE) Personnel (ETP)	2001/02 Financial Results ($000) Résultats financiers en 2001-2002 (en milliers de dollars)			Key Results through 2001/02 Principaux résultats obtenus au cours de l'exercice 2001-2002
		Actual Réels	Budget Budget	
76.28	Revenue Expenses Net Income (Loss) Retained Earnings/ Reserves	4,665 (4,707) (42) 873	4,525 (4,812) (287) 628	• $340,000 per annum cost saving to clients from the elimination in 1998 of a 6% administration fee (levied on interest earned on the Common Fund) with a fixed administrative cost • inspection and warehouse storage fees restructured for cost recovery in 2001 • 80% stakeholder satisfaction rating in 1999
76,28	Recettes Dépenses Résultat net (Perte) Bénéfices non répartis/réserves	4 665 (4 707) (42) 873	4 525 (4 812) (287) 628	• 340 000 $ par année d'économie aux clients résultant de l'élimination, en 1998, des 6 % de frais d'administration (prélevé sur l'intérêt créditeur du fonds commun) avec des frais administratifs fixes • Restructuration des frais d'inspection et d'entreposage aux fins de recouvrement des coûts en 2001 • 80 % de satisfaction des parties intéressées en 1999
58	Revenue Expenses Net Income (Loss) Revenue Sharing Accumulated Deficit	5,693 (5,986) (293) - (1,003)	6,215 (6,645) (430) - (338)	• $4.3 billion saving in property loss due to fire containment and suppression • $286,000 in annual cost-savings for office closures, reduced administrative overhead, and prioritized capital investment • 539% increase in tuition and contract revenues • 41% increase in students trained at Emergency Services College • $250,000 in corporate sponsorship of Brandon practical training site in 1998 • 79% of fires investigated resulted in determination of cause
58	Recettes Dépenses Résultat net (Perte) Partage des recettes Déficit accumulé	5 693 (5 986) (293) - (1 003)	6 215 (6 645) (430) - (338)	• 4,3 milliards de dollars d'économies en pertes matérielles grâce au confinement et à l'extinction d'incendies • 286 000 $ d'économies annuelles grâce à la fermeture de bureaux, à la réduction des frais généraux administratifs et à des investissements effectués par ordre de priorité • 539 % d'augmentation des recettes tirées de cours et de contrats • 41 % d'augmentation du nombre des étudiants formés au Emergency Services College • 250 000 $ en parrainage par les entreprises pour le centre de formation pratique de Brandon en 1998 • 79% des enquêtes menées ont permis de déterminer la cause des incendies

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Food Development Centre	Agriculture and Food	Dave Donaghy Chief Executive Officer c/o 810 Phillips Street Portage la Prairie, MB R1N 3J9 (204) 945-3736 (204) 945-5218 (fax) ddonaghy@gov.mb.ca www.fdc.mb.ca French Language Services: Alphonsus Utioh (204) 239-3179 autioh@fdc.mb.ca	April 1, 1996	To provide leading-edge technical leadership in a proactive manner, in the creation, expansion, and diversification of the agri-food industry within Manitoba, which will generate wealth for Manitoba and Manitobans.
Centre de développement des produits alimentaires	Agriculture et Alimentation	Dave Donaghy Directeur général a.b.s. 810, rue Phillips Portage la Prairie (Manitoba) R1N 3J9 (204) 945-3736 (204) 945-5218 (télécopieur) ddonaghy@gov.mb.ca www.fdc.mb.ca Services en français: Alphonsus Utioh (204) 239-3179 autioh@fdc.mb.ca	1er avril 1996	Fournir un leadership technique de pointe de manière proactive, dans la création, l'expansion et la diversification de l'industrie agro-alimentaire au Manitoba, ce qui créera des richesses pour la province et ses habitants.
The Property Registry	Consumer and Corporate Affairs	Rick Wilson Registrar General 14th Floor, 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2243 (204) 948-3276 (fax) rmwilson@gov.mb.ca www.gov.mb.ca/cca/landtitl.html www.gov.mb.ca/cca/personp.html French Language Services: Guy Bilodeau (204) 945-6241 gbilodeau@gov.mb.ca Lee Crierie (204) 945-2042 Elizabeth Sims (204) 476-2106 esims@gov.mb.ca	April 1, 1997	To maintain land records, issue certifications of titles to land, and provide the public with reliable information on financial interests in personal property in Manitoba.
Office d'enregistrement des titres et des instruments	Consommation et Corporations	Rick Wilson Registraire général 405 Broadway, 14e étage Winnipeg (Manitoba) R3C 3L6 (204) 945-2243 (204) 948-3276 (télécopieur) rmwilson@gov.mb.ca www.gov.mb.ca/cca/landtitl.html www.gov.mb.ca/cca/personp.html Services en français : Guy Bilodeau (204) 945-6241 gbilodeau@gov.mb.ca Lee Crierie (204) 945-2042 Elizabeth Sims (204) 476-2106 esims@gov.mb.ca	1er avril 1997	Tenir à jour les documents relatifs aux terres, délivrer des certificats de titre de bien-fonds et fournir au public des renseignements fiables sur les intérêts financiers relatifs aux biens personnels au Manitoba.

Staff (FTE) Personnel (ETP)	2001/02 Financial Results ($000) Résultats financiers en 2001-2002 (en milliers de dollars)			Key Results through 2001/02 Principaux résultats obtenus au cours de l'exercice 2001-2002
		Actual Réels	Budget Budget	
17	Revenue	1,840	1,863	• 145 new employment opportunities created in private sector • $15,790,500 increase in the province's GDP • 31% increase in fee-for-service revenues in 2001 • 93% client satisfaction rating in 1999 • 76 new products developed since 1998 • 128% increase in individuals trained since 1998
	Expenses	(1,765)	(1,863)	
	Net Income (Loss)	75	-	
	Retained Earnings	45	(30)	
17	Recettes	1 840	1 863	• 145 possibilités d'emploi créées dans le secteur privé • 15 790 000 $ d'augmentation du produit intérieur brut de la province • 31 % d'augmentation des recettes tirées de la rémunération des services en 2001 • 93 % de satisfaction de la clientèle en 1999 • 76 nouveaux produits mis au point depuis 1998 • 128 % d'augmentation du nombre des personnes formées depuis 1998
	Dépenses	(1 765)	(1 863)	
	Résultat net (Perte)	75	-	
	Bénéfices non répartis	45	(30)	
153	Revenue	15,137	14,228	• same day turn around on Personal Property Registry registrations • 95% hit rate on electronic searches in Winnipeg Land Titles Office • less than two day average turn around for rural land title registrations • 100% preservation of land certificates of title on microfilm
	Expenses	(11,323)	(12,124)	
	Net Income (Loss)	3,814	2,104	
	Revenue Sharing	(3,100)	(3,100)	
	Retained Earnings	3,933	2,223	
153	Recettes	15 137	14 228	• service circulaire le jour même pour les enregistrements au Bureau d'enregistrement relatif aux biens personnels • 95 % de succès dans les recherches électroniques au Bureau des titres fonciers de Winnipeg • service circulaire en moins de deux jours en moyenne pour les enregistrements de titres fonciers ruraux • 100 % de préservation des certificats de titre foncier sur microfilm
	Dépenses	(11 323)	(12 124)	
	Résultat net (Perte)	3 814	2 104	
	Partage des recettes	(3 100)	(3 100)	
	Bénéfices non répartis	3 933	2 223	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Manitoba Securities Commission	Consumer and Corporate Affairs	Don Murray Chairman 1130 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2548 (204) 945-0330 (fax) dmurray@gov.mb.ca French Language Services: Claudette Richard (204) 945-5282 clrichard@gov.mb.ca	April 1, 1999	To protect Manitoba investors, facilitate raising of capital, and maintain fairness and integrity in the securities marketplace; also, to regulate real estate brokers, salespeople, and mortgage dealers for public protection.
Commission des valeurs mobilières du Manitoba	Consommation et Corporations	Don Murray Président 405 Broadway, bureau 1130 Winnipeg (Manitoba) R3C 3L6 (204) 945-2548 (204) 945-0330 (télécopieur) dmurray@gov.mb.ca Services en français : Claudette Richard (204) 945-5282 clrichard@gov.mb.ca	1er avril 1999	Protéger les investisseurs manitobains, faciliter les emprunts de capitaux et veiller à l'équité et à l'intégrité du marché des valeurs mobilières, de même que réglementer les courtiers en immeubles, les agents immobiliers et les courtiers d'hypothèque afin de protéger le public.

Staff (FTE) Personnel (ETP)	2001/02 Financial Results ($000) Résultats financiers en 2001-2002 (en milliers de dollars			Key Results through 2001/02 Principaux résultats obtenus au cours de l'exercice 2001-2002
		Actual Réels	Budget Budget	
34	Revenue	7,825	6,664	• 80% increase in net earnings
	Expenses	(2,997)	(3,367)	• 43% volume increase in orders and filings
	Net Income (Loss)	4,828	3,297	• 36% growth in registrations activity
	Revenue Sharing	(5,500)	(5,400)	• 117% increase in hits on web site in 2001/02
	Retained Earnings/ Reserves	4,419	2,988	
34	Recettes	7 825	6 664	• 80 % d'augmentation des bénéfices nets
	Dépenses	(2 997)	(3 367)	• 43 % d'augmentation du volume sur commandes et dépôts
	Résultat net (Perte)	4 828	3 297	• 36 % de croissances des activités au niveau des enregistrements
	Partage des recettes	(5 500)	(5 400)	• 117 % d'augmentation du nombre d'interrogations du site Web en 2001-2002
	Bénéfices non répartis/réserves	4 419	2 988	

Special Operating Agencies
Financing Authority

Financial Statements

March 31, 2002

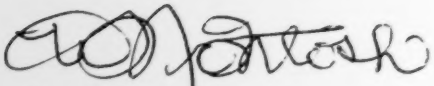
Management Report

The accompanying financial statements are the responsibility of the management of the Special Operating Agencies Financing Authority and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to July 22, 2002.

Management maintains internal controls to properly safeguard the Financing Authority's assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Auditor General is to express an independent opinion on whether the financial statements of the Financing Authority are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,



Wayne L. McIntosh
Acting Chairperson,
Special Operating Agencies Financing Authority

July 22, 2002

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Member of the Special Operating Agencies Financing Authority

We have audited the combined balance sheet of the Special Operating Agencies Financing Authority at March 31, 2002 and the combined statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
July 22, 2002

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Balance Sheet

(In Thousands)

March 31	2002	2001
Assets		
Current:		
Cash	$ 6,646	$ 2,153
Term deposits with the Minister of Finance	14,493	24,281
Customer deposits	1,249	1,271
Accounts receivable (Note 3)	9,512	11,308
Inventories	4,106	5,173
Prepaid expenses	1,758	1,530
	37,764	45,716
Capital assets (Note 4)	50,864	43,977
Receivable from the Province of Manitoba (Note 5)	5,102	5,102
	$ 93,730	$ 94,795
Liabilities		
Current:		
Working capital advances (Note 6)	$ 8,711	$ 8,746
Accounts payable and accruals	10,988	12,131
Accounts payable - Province of Manitoba	-	6,966
Unearned revenue	2,056	2,009
Current portion of long-term debt	4,799	4,327
	26,554	34,179
Long-term debt - Province of Manitoba (Note 7)	13,922	9,112
Severance liability (Note 9)	4,136	3,916
	44,612	47,207
Equity (Note 10)		
Contributed equity	17,661	17,661
Reserve funds (Note 11)	1,405	1,170
Retained earnings	30,052	28,756
	49,118	47,588
	$ 93,730	$ 94,795

Commitments (Note 12)
Subsequent Events (Note 16)

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Income and Retained Earnings
(In Thousands)
Year Ended March 31

	2002	2001
Special Operating Agencies Financing Authority		
Revenue		
Annual levy	$ 15	$ 14
Treasury Board Secretariat contribution	86	99
	101	113
Expenses		
Salaries and benefits	68	82
Other operating	35	29
	103	111
Financing Authority operations	(2)	2
Special Operating Agency operations - net income (loss)		
Civil Legal Services	170	434
Companies Office	1,862	1,876
Fleet Vehicles Agency	2,925	2,741
Food Development Centre	75	(30)
Industrial Technology Centre	40	240
Land Management Services	152	943
Mail Management Agency	(198)	63
MERLIN	(44)	(16)
Manitoba Securities Commission	4,828	4,705
Manitoba Text Book Bureau	29	(3)
Materials Distribution Agency	504	957
Office of the Fire Commissioner	(293)	(109)
Organization and Staff Development	122	78
Pineland Forest Nursery	63	(47)
The Property Registry	3,814	3,564
The Public Trustee	(42)	90
Vital Statistics Agency	71	183
Net income for the year	14,076	15,671
Retained earnings, beginning of year	28,756	26,445
Transfer of surplus funds to the Province of Manitoba		
Civil Legal Services	-	(500)
Companies Office	(1,960)	(2,500)
Fleet Vehicles Agency	(1,100)	(2,000)
Land Management Services	(250)	(500)
Manitoba Securities Commission	(5,500)	(1,600)
Materials Distribution Agency	(400)	(525)
Office of the Fire Commissioner	-	(300)
The Property Registry	(3,100)	(4,500)
Vital Statistics Agency	(235)	(700)
Reserve fund - Manitoba Securities Commission (Note 11)	(235)	(235)
Retained earnings, end of year	$ 30,052	$ 28,756

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Cash Flows

(In Thousands)

Year Ended March 31	2002	2001
Cash derived from (applied to):		
Operating		
Net income	$ 14,076	$ 15,671
Amortization	9,661	8,487
Gain on disposal of capital assets	(730)	(762)
	23,007	23,396
Change in:		
Customer deposit accounts	22	(149)
Accounts receivable	1,796	220
Inventories	1,067	(1,200)
Prepaid expenses	(228)	(28)
Deferred contributions - Province of Manitoba	-	1,025
Accounts payable and accruals	(8,109)	8,387
Pension liability	-	(7,266)
Severance liability	220	240
Unearned revenue	47	287
Cash derived from operating activities	17,822	24,912
Investing		
Proceeds from disposal of capital assets	1,517	1,883
Acquisition of capital assets	(17,336)	(11,846)
Long-term investment	-	1,500
Cash applied to investing activities	(15,819)	(8,463)
Financing		
Proceeds from long-term debt - Province of Manitoba	9,950	5,650
Long-term debt repayments	(4,668)	(5,364)
Transfer of surplus funds to the Province of Manitoba	(12,545)	(13,125)
Receivable from the Province of Manitoba	-	(40)
Cash applied to financing activities	(7,263)	(12,879)
Increase (decrease) in cash	(5,260)	3,570
Cash and cash equivalents:		
Beginning of year	17,688	14,118
End of year	$ 12,428	$ 17,688
Represented by:		
Cash	$ 6,646	$ 2,153
Term deposits with the Minister of Finance	14,493	24,281
Working capital advances	(8,711)	(8,746)
	$ 12,428	$ 17,688

See accompanying notes to the financial statements.

1. Nature of organization

The Special Operating Agencies Financing Authority (the "Financing Authority") is a body corporate established effective April 1, 1992 under ***The Special Operating Agencies Financing Authority Act.*** Under the direction of the Minister of Finance, the Financing Authority consists of the Chairperson as its sole member and receives staff support from the Department of Finance.

The Financing Authority provides a mechanism for funding Special Operating Agencies (SOAs) that operate outside the Consolidated Fund. It functions as a non-operating holding company, with the mandate to hold and acquire assets required for and resulting from SOA operations. It finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like manner within government policy expectations.

SOAs are designated by regulation under the Act and operate under a charter approved by the Lieutenant Governor in Council. A management agreement between the Financing Authority and the Minister responsible for each SOA assigns responsibility to the agency to manage and account for SOA-related assets and operations on behalf of the Financing Authority. SOAs remain accountable to their Minister for the results they achieve with the authority and resources granted.

The Financing Authority is economically dependent on the Province of Manitoba. Currently, the Financing Authority derives most of its revenue and all of its capital financing requirements from the Province.

SOAs in operation during the fiscal year ended March 31, 2002 were as follows:

Civil Legal Services, Department of Justice
Companies Office, Department of Consumer and Corporate Affairs
Fleet Vehicles Agency, Department of Transportation and Government Services
Food Development Centre, Department of Agriculture and Food
Industrial Technology Centre, Department of Industry, Trade and Mines
Land Management Services, Department of Transportation and Government Services
Mail Management Agency, Department of Transportation and Government Services
Manitoba Education, Research and Learning Information Networks (MERLIN), Department of Education, Training and Youth
Manitoba Securities Commission, Department of Consumer and Corporate Affairs
Manitoba Text Book Bureau, Department of Education, Training and Youth
Materials Distribution Agency, Department of Transportation and Government Services
Office of the Fire Commissioner, Department of Labour and Immigration
Organization and Staff Development, Civil Service Commission
Pineland Forest Nursery, Department of Conservation
The Property Registry, Department of Consumer and Corporate Affairs
The Public Trustee, Department of Justice
Vital Statistics Agency, Department of Consumer and Corporate Affairs.

2. Significant accounting policies

The financial statements of the Financing Authority are presented in accordance with Canadian generally accepted accounting principles.

Basis of reporting

The financial statements of the Financing Authority reflect the financial position and operating results of SOAs currently governed by management agreements with the Financing Authority. These statements are presented on a combined basis. Therefore, inter-agency balances and transactions have not been eliminated.

The following policies apply to the Financing Authority, as well as to all agencies combined herein.

Amortization of capital assets

Vehicles, fire engines	30%, declining balance
Vehicles (signed lease agreement)	straight line over term of lease
Equipment and furniture	20 - 33%, straight line
	20%, declining balance
Computer equipment and software	20%, straight line
Rental equipment (Materials Distribution Agency)	2, 3, or 5 years, straight line
Buildings	5 - 40 years, straight line
Practical training site (Office of the Fire Commissioner)	20 years, straight line
Leasehold improvements	3 - 10 years, straight line
Other assets	3 years, straight line

Inventories

Inventories are valued at the lower of cost and market value.

3. Accounts receivable

	2002	2001
Trade	$9,026	$10,820
Recoverable infrastructure expenditures	-	64
Insurance agency rebate	271	271
Other	215	153
	$9,512	$11,308

The trade receivables are mostly due from the Province of Manitoba.

The insurance agency rebate is for discounts receivable by the Fleet Vehicles Agency from the Manitoba Public Insurance Corporation based on favourable claims experience for the Province's vehicle fleet in the previous insurance year.

4. Capital assets

	Cost	Accumulated Amortization	2002 Net Book Value	2001 Net Book Value
Vehicles, fire engines	$66,287	29,439	36,848	$29,730
Equipment and furniture	8,950	5,258	3,692	3,370
Computer equipment and software	4,251	2,476	1,775	1,988
Buildings	7,867	2,376	5,491	5,698
Practical training site	1,901	380	1,521	1,602
Leasehold improvements	1,323	736	587	559
Other assets	1,814	864	950	1,030
	$92,393	41,529	50,864	$43,977

5. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of certain agencies prior to their designation as SOAs. It also includes severance pay benefits earned by SOA employees to March 31, 1998, as well as the benefits accumulated by the employees of the Manitoba Securities Commission prior to March 31, 1999. The balance is comprised of:

	2002	2001
Vacation entitlements	$1,766	$1,766
Severance pay benefits	3,336	3,336
	$5,102	$5,102

The timing of the collection of these receivables will vary for each SOA. The receivable or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

6. Working capital advances

The Minister of Finance, with Lieutenant-Governor-in-Council approval by Orders in Council 747/1992, 242/1994, 152/1995, 151/1996, 136/1997, 168/1998, and 129/2000, has arranged for working capital advances to be available to the Financing Authority. The aggregate of the outstanding advances is not to exceed $20,370 (2001 - $20,370) at any one time. As at March 31, 2002, $11,659 (2001 - $11,624) of these advances was unused and available.

7. Long-term debt - Province of Manitoba

		2002	2001
6%	repayable in semi-annual instalments of $469 principal and interest, maturing in 2002	$ -	$ 897
5.5%	repayable in semi-annual instalments of $289 principal and interest, maturing in 2002	282	822
5.875%	repayable in semi-annual instalments of $316 principal and interest, maturing in 2003	604	1,175
5.5%	repayable in semi-annual instalments of $232 principal and interest, maturing in 2004	866	1264
6%	repayable in semi-annual instalments of $141 principal and interest, maturing in 2004	523	762
9%	repayable in annual instalments of $55 principal and interest, maturing in 2005	141	180
6.875%	repayable in semi-annual instalments of $408 principal and interest, maturing in 2005	2,176	2,809
6.625%	repayable in semi-annual instalments of $167 principal and interest, maturing in 2005	1,027	1,280
5.75%	repayable in semi-annual instalments of $495 principal and interest, maturing in 2006	3,493	4,250
5.375%	repayable in semi-annual instalments of $121 principal and interest, maturing in 2006	957	-
4.75%	repayable in semi-annual instalments of $243 principal and interest, maturing in 2006	1,948	-
5.625%	repayable in semi-annual instalments of $174 principal and interest, maturing in 2007	1,500	-
6.425%	repayable in semi-annual instalments of $146 principal and interest, maturing in 2009	1,624	-
5.25%	repayable in semi-annual instalments of $159 principal and interest, maturing in 2009	1,955	-
5.625%	repayable in semi-annual instalments of $134 principal and interest, maturing in 2009	1,625	-
		18,721	13,439
Amount due within one year		4,799	4,327
		$ 13,922	$ 9,112

7. Long-term debt - Province of Manitoba (continued)

Principal repayments in each of the next five years are as follows:

2003	$4,799
2004	4,148
2005	3,641
2006	2,810
2007	1,428

As at March 31, 2002, the Financing Authority had $3,400 remaining in loan authority under ***The Loan Act, 2001***. ***The Loan Act, 2002*** is pending Legislative approval. The original loan authority under each of these Acts is:

	The Loan Act, 2002	***The Loan Act, 2001***
for Fleet Vehicles Agency	$9,650	$11,300
for Food Development Centre	3,800	-

8. Pension liability

Employees of SOAs are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Prior to April 1, 2001, only the Industrial Technology Centre and the Food Development Centre matched their employees' current contributions to CSSB and had no additional liability under the Act.

Effective March 31,2001, pursuant to an agreement with the Province of Manitoba, the remaining SOAs transferred to the Province the pension liability for their employees, subject to the following conditions: During the 2002 fiscal year, in accordance with the terms of the agreement, the SOAs transferred to the Province funds equal to the net assets required to discharge their pension obligation as at March 31, 2001. Commencing April 1, 2001, the SOAs are also required to pay to the Province an amount equal to their employees' current pension contributions.

Hence, as at March 31, 2002, all the SOAs have discharged their pension obligations and have no outstanding liability.

9. Severance pay benefits

Effective April 1, 1998, SOAs began recording accumulated severance pay benefits for their employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province accepted responsibility for the severance benefits accumulated by SOA employees to March 31, 1998, as well as for the benefits accumulated by employees of the Manitoba Securities Commission to March 31, 1999. Accordingly, the opening severance pay liability balances as at April 1, 1998 calculated at $3,511 and as at April 1, 1999 calculated at $135 were completely offset by a receivable from the Province.

An actuarial valuation report of the severance liability of SOAs as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $3,676, and the receivable from the Province was restated to $3,336 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the actuarial liability of SOAs has been calculated to be $4,136 as at March 31, 2002.

10. Equity

	2002	2001
Contributed equity		
Fleet Vehicles Agency	$ 4,118	$ 4,118
Industrial Technology Centre	62	62
Mail Management Agency	51	51
Manitoba Text Book Bureau	549	549
Materials Distribution Agency	1,246	1,246
Office of the Fire Commissioner	11,279	11,279
Pineland Forest Nursery	356	356
	$17,661	$17,661

10. Equity (continued)

	2002	2001
Retained earnings		
Civil Legal Services	$ 605	$ 435
Companies Office	1,509	1,607
Fleet Vehicles Agency	12,469	10,644
Food Development Centre	45	(30)
Industrial Technology Centre	1,202	1,162
Land Management Services	875	973
Mail Management Agency	290	488
MERLIN	(394)	(350)
Manitoba Securities Commission	3,514	4,421
Manitoba Text Book Bureau	111	82
Materials Distribution Agency	3,951	3,847
Office of the Fire Commissioner	(1,003)	(710)
Organization and Staff Development	382	260
Pineland Forest Nursery	750	687
The Property Registry	3,933	3,219
The Public Trustee	873	915
Vital Statistics Agency	937	1,101
Financing Authority	3	5
	$30,052	$28,756

11. Reserve funds

The Public Trustee

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses. The balance of the reserve at March 31, 2002 is $500 (2001 - $500).

Manitoba Securities Commission

The Manitoba Securities Commission has allocated a reserve out of retained earnings to provide for extraordinary regulatory expenses and changes in market activity affecting revenue. The intent is to fund the reserve over four years to an accumulated balance of $1,000. The balance of the reserve at March 31, 2002 is $905 (2001 - $670).

12. Commitments

Commitments for SOAs with building lease agreements at March 31, 2002 total $5,592 (2001 - $5,088).

Other commitments entered into by SOAs are as follows:

Manitoba Text Book Bureau	Provision of warehousing and distribution services	$ 564
Office of the Fire Commissioner	Vehicle lease agreements	421
The Property Registry	Equipment lease agreements	350
		$1,335

13. Estates and trusts under administration

The Public Trustee has statutory responsibility for administering clients' estates and trusts. The client assets under administration at March 31, 2002 total approximately $163,000 (2001 - $159,000). The trust activities of The Public Trustee are reported in separate audited financial statements for Estates and Trusts under Administration

14. Public sector compensation

Pursuant to the disclosure required by ***The Public Sector Compensation Disclosure Act***, the Chairperson was the only employee of the Financing Authority who received compensation of $50 or more during the fiscal year ended March 31, 2002.

Name	Position	2002	2001
Wilkins, John	Chairperson	$78	$76

Compensation information for each SOA is disclosed in the notes to their audited financial statements.

15. Financing instruments

The carrying amounts of the current assets and liabilities are reasonable estimates of their fair value because of the short-term maturity of these instruments.

16. Subsequent Events

The Province is implementing a Better Systems Initiative (BSI) to facilitate single window access by businesses and the general public to government registry services and data bases. A number of modules for the BSI will be implemented in the Companies Office Agency, and the Property Registry.

The government has determined that the amortization costs, as well as the interest carrying costs related to the capital assets under the BSI, will be recovered from SOAs beginning in the 2002/03 fiscal year. This will affect the expenditures of the aforementioned SOAs.

The projected capital related costs are estimated at $3,086 in 2002/03.

APPENDIX

Agency Financial Statements

- Fleet Vehicles Agency
- Materials Distribution Agency
- Organization and Staff Development
- Vital Statistics Agency
- Civil Legal Services
- Manitoba Education, Research and Learning Information Networks
- Land Management Services
- Pineland Forest Nursery
- Companies Office
- Manitoba Text Book Bureau
- Mail Management Agency
- Industrial Technology Centre
- The Public Trustee
- Office of the Fire Commissioner
- Food Development Centre
- The Property Registry
- Manitoba Securities Commission

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Fleet Vehicles Agency
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba
Financial Statements

(In Thousands)
March 31, 2002

Contents

	Page
Auditors' Report	1
Statements of Earnings and Retained Earnings	2
Balance Sheet	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-10
Schedule of Other Revenue and Expenses	11
Responsibility for Financial Reporting	12

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Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Fleet Vehicles Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2002, and the statements of earnings, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
May 10, 2002

Chartered Accountants

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Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statements of Earnings and Retained Earnings

(In Thousands)

Year Ended March 31	2002	2001
Revenue		
Vehicle leases	$ 22,304	$ 20,349
Gain on disposal of vehicles and equipment, net	842	727
Interest income	11	80
Other revenue (Page 11)	1,799	1,462
	24,956	22,618
Expenses		
Salaries	1,958	1,925
Vehicle operating expenses (Page 11)	17,806	16,296
Administrative expenses (Page 11)	1,284	860
Community service	32	28
Interest expense	951	768
	22,031	19,877
Net earnings	$ 2,925	$ 2,741
Retained earnings, beginning of year	$ 10,644	$ 9,903
Net earnings	2,925	2,741
Revenue sharing to the Consolidated Fund	(1,100)	(2,000)
Retained earnings, end of year	$ 12,469	$ 10,644

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet

(In Thousands)

March 31	2002	2001
Assets		
Current		
Short-term investments	$	$ 1,082
Receivables (Note 3)	2,463	1,859
Inventories	61	68
Prepaids	1,216	1,200
	3,740	4,209
Capital assets (Note 4)	37,319	30,092
Receivable from the Province of Manitoba		
Severance pay benefits (Note 5)	194	194
	$ 41,253	$ 34,495
Liabilities		
Current		
Working capital payable, net of cash (Note 6)	$ 3,909	$ 3,562
Payables and accruals	1,092	1,736
Revenue sharing to the Consolidated Fund for the current year	350	500
Unearned revenue	474	412
Current portion of long-term debt	4,756	4,288
	10,581	10,498
Long-term debt (Note 7)	13,824	8,971
Severance pay liability (Note 5)	261	264
	24,666	19,733
Equity		
Contributed equity (Note 8)	4,118	4,118
Retained earnings	12,469	10,644
	16,587	14,762
	$ 41,253	$ 34,495

Commitments (Note 9)

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(In Thousands)

Year Ended March 31	2002	2001
Increase (decrease) in cash and cash equivalents		
Operating		
Net earnings	$ 2,925	$ 2,741
Amortization	7,127	6,247
Gain on disposal of vehicles and equipment, net	(842)	(727)
Decrease in pension liability		(648)
Actuarial valuation gain on pension liability		(395)
Increase in severance pay liability	29	27
Payment of severance pay benefits	(32)	
	9,207	7,245
Change in		
Receivables	(604)	554
Inventories	7	(16)
Prepaids	(16)	(58)
Payables and accruals	(644)	655
Revenue sharing to the Consolidated Fund for the current year	(150)	
Unearned revenue	62	28
	7,862	8,408
Investing		
Proceeds from disposal of vehicles and equipment	1,517	1,384
Acquisition of vehicles	(14,813)	(9,893)
Acquisition of office, shop and computer equipment	(119)	(130)
Acquisition of leasehold improvements	(97)	(18)
Cash held for funding of pension liability		826
	(13,512)	(7,831)
Financing		
Proceeds from Loan Act Authority drawdowns	9,950	5,650
Long-term debt repayments	(4,629)	(4,697)
Revenue sharing to the Consolidated Fund	(1,100)	(2,000)
Receivables from the Province of Manitoba		150
	4,221	(897)
Net decrease in cash and cash equivalents	(1,429)	(320)
Working capital payable, net of cash and cash equivalents		
Beginning of year	(2,480)	(2,160)
End of year	$ (3,909)	$ (2,480)

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(In Thousands)
March 31, 2002

1. Nature of organization

In 1934, Fleet Vehicles was created as a branch of the Manitoba Provincial Government to provide a centralized fleet management program. It was established to achieve economies of scale and to lower overall fleet costs to government.

Effective April 1, 1992, the Fleet Vehicles branch was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A 1992 Management Agreement between SOAFA and the then Minister of Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

Fleet Vehicles Agency continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and the Minister of Transportation and Government Services.

Fleet Vehicles Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

Fleet Vehicles Agency is economically dependent on The Government of Manitoba, as it derives most of its revenue and all of its capital financing requirements from the Province.

2. Significant accounting policies

Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and short term investments with original maturities of six months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued at the lower of cost and market value.

Capital assets

Rates and bases of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Vehicles	30%, declining balance
Vehicles (signed lease agreement)	straight line over term of lease
Office and shop equipment	20%, declining balance
Computer software and equipment	20%, straight line
Leasehold improvements	10%, straight line

Pension

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred the pension liability for its employees to the Province. During the 2002 fiscal year, in accordance with the terms of the agreement, the Agency transferred to the Province funds equal to the net assets required to discharge its pension obligations as of March 31, 2001. Commencing April 1, 2001, the Agency is also required to pay to the Province an amount equal to its employees' current pension contributions.

As of March 31, 2002, the Agency has discharged its pension obligations and has no outstanding liability.

Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

3. Receivables

	2002	2001
Trade	$ 1,461	$ 917
Accrued trade	731	671
Insurance agency rebate receivable	271	271
	$ 2,463	$ 1,859

4. Capital assets

	Cost	Accumulated Amortization	2002 Net Book Value	2001 Net Book Value
Vehicles	$ 65,624	$ 28,918	$ 36,706	$ 29,528
Office, shop and computer equipment	1,014	702	312	312
Leasehold improvements	531	230	301	252
	$ 67,169	$ 29,850	$ 37,319	$ 30,092

5. Severance pay liability

Effective April 1, 1998, the Agency commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of 15 years, by the weekly salary at date of retirement, provided the employee has reached nine years of service and retires from the Agency. Effective April 2000, there is also additional severance pay for employees with 20 or more years of accumulated service. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as of April 1, 1998, of $219 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance liability as of March 31, 2000, was completed February, 2001. The liability as of March 31, 2000, was restated to $237 and the receivable from the Province was restated to $194 as a result of the actuarial valuation.

The receivable from the Province will only be collected, in whole or in part, in the event there is a cash shortfall in the Agency. It is probable, therefore that collection will only happen on the dissolution of the Agency.

5. Severance pay liability (continued)

The actuarial valuation report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability before payments has been calculated to be $293 as of March 31, 2002. Payments amounting to $32 were made during the year to three employees no longer with the Agency or the Province, and that amount has been charged against the liability.

6. Working capital payable

The Agency has an authorized line of working capital advances of $4,000, $3,992 of which was used as of March 31, 2002 (2001: $3,612).

7. Long-term debt

Loan Act Authority is repayable in semi-annual instalments of principal and interest, as follows:

Interest Rate	Instalment Amount	Maturity Date	2002 Principal Balance Owing	2001 Principal Balance Owing
6%	$ 469	March 31, 2002	$	$ 897
5 ½%	289	September 30, 2002	282	822
5 ⅞%	316	March 31, 2003	604	1,175
5 ½%	232	March 31, 2004	866	1,264
6%	141	March 31, 2004	523	762
6 ⅞%	408	March 31, 2005	2,176	2,809
6 ⅝%	167	September 30, 2005	1,027	1,280
5 ¾%	495	March 31, 2006	3,493	4,250
5 ⅜%	121	September 30, 2006	957	
4 ¾%	243	September 30, 2006	1,948	
5 ⅝%	174	March 31, 2007	1,500	
6.425%	146	March 31, 2009	1,624	
5 ¼%	159	September 30, 2009	1,955	
5 ⅝%	134	September 30, 2009	1,625	
Total principal owing as of March 31			18,580	13,259
Amount due within one year			4,756	4,288
Long-term debt as of March 31			$ 13,824	$ 8,971

7. Long-term debt (continued)

By virtue of the Management Agreement, the Agency is responsible for the repayment of debts assumed by the Special Operating Agencies Financing Authority (SOAFA) on its behalf. SOAFA holds the debt instruments listed above on behalf of Fleet Vehicles Agency.

Unused loan authority of $2,050 was available as of March 31, 2001, all from The Loan Act, 2000. An additional $11,300 ($5,900 for trucks, vans and sedans and $5,400 for ambulances) was approved during 2001/02, for a total available of $13,350. Following the draw down of $9,950 from July 2001 to March 2002, there is $3,400 in unused loan authority remaining, $1,000 special from The Loan Act, 2000 and $2,400 regular from The Loan Act, 2001.

As of March 31, 2002, principal repayments in each of the next five years are as follows:

2003	$ 4,756
2004	4,101
2005	3,590
2006	2,810
2007	1,428

8. Contributed equity

The Special Operating Agencies Financing Authority (SOAFA) and The Government of Manitoba entered into a Transfer Agreement in connection with the transfer from the Government to SOAFA of assets valued at $12,353 required for the continuing operations of Fleet Vehicles Agency as of March 31, 1992. The Agency has repaid the debt portion in the amount of $8,235 (2/3 of the value of the assets) and has recorded the balance of $4,118 (1/3 of the value of the assets) as the Government's equity in SOAFA relating to the Agency's operations.

9. Commitments

(a) Pursuant to a Memorandum of Understanding dated May 31, 1996, the Agency entered into a lease agreement with The Government of Manitoba through Manitoba Government Services for the rental of the facilities at 626 Henry Avenue, Winnipeg, Manitoba. Occupancy charges for each fiscal year including 2002/03 are established annually based on the approved budget for the Department of Transportation and Government Services. Occupancy charges for 2002/03 are estimated at $415 for the year, to be paid in semi-annual instalments in July 2002 and January 2003.

(b) The Agency's approved 2002/03 Business Plan calls for $1,500 in revenue sharing to be paid in quarterly instalments to the Consolidated Fund during 2002/03.

10. Requirements of The Public Sector Compensation Disclosure Act

Pursuant to Section 2(1) of the Act, the following employees of Fleet Vehicles Agency received compensation, directly or indirectly, of $50 or more in the fiscal year ended March 31.

Name	Position	2002	2001
Kathryn Bernhardt	Manager, Support Services	$ 62	$ 60
Derek Boutang	Systems Analyst	54	52
Donald Chesney	Manager, Fleet	62	60
Dennis Ducharme	Chief Operating Officer	82	80
Jordan Janisse	Systems Supervisor	56	55
David Kroeker	Programmer Analyst	50	
Albert Ogonoski	Manager, Finance	60	54
William Reynolds	Senior Manager, Strategic Planning	60	57
Guy Sinclair	Manager, Operations	62	60
George St. Amant	Automotive Equipment Mechanic	50	
Kathy Tarrant	Manager, Marketing	53	

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Schedule of Other Revenue and Expenses

(In Thousands)

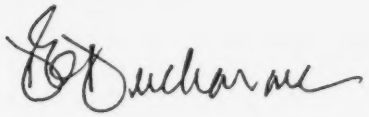
Year Ended March 31	2002	2001
Other revenue		
Service	$ 719	$ 734
Rebates	694	576
Autopac service revenue	386	152
	$ 1,799	$ 1,462
Vehicle operating expenses		
Amortization	$ 6,994	$ 6,134
Fuel	5,405	5,213
Insurance premiums	2,327	2,224
Repairs and maintenance	3,080	2,725
	$ 17,806	$ 16,296
Administrative expenses		
Amortization	$ 133	$ 113
Fleet management information system	189	178
Human resource overhead	390	424
Actuarial valuation gain on pension liability		(395)
Occupancy costs	398	398
Other costs	70	48
Professional fees	24	13
SOAFA charges	3	3
Supplies and materials	47	48
Telephone and communication	30	30
	$ 1,284	$ 860

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility for Financial Reporting

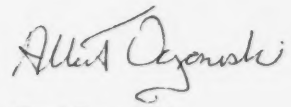
The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with Canadian generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Grant Thornton LLP, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

An Advisory Board is available to meet, as required, with management to review accounting practices, financial reporting and to discuss audit results. During the year, management met twice with the Advisory Board. The auditors have free and full access to this Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.



Dennis Ducharme
Chief Operating Officer



Albert Ogonoski
Manager, Finance

May 10, 2002

MATERIALS DISTRIBUTION AGENCY

Financial Statements

For The Year Ended March 31, 2002

(In Thousands)

Materials Distribution Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by The Exchange Group, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board has scheduled meetings with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, to discuss the results of the audit and their views on the adequacy of internal controls and the quality of financial reporting.

Susan Boutter
A/Chief Operating Officer

Joel Hershfield
Manager of Finance and Technology

June 4, 2002

THE EXCHANGE

chartered accountants

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Materials Distribution Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2002 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and the results of its operations and changes in cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

THE EXCHANGE

chartered accountants

Winnipeg, Manitoba
June 4, 2002

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MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2002

ASSETS

	2002	2001
CURRENT		
Cash and short term investments	$1,917	$1,787
Accounts receivable	2,549	3,775
Inventories (notes 2 and 3)	1,333	1,538
Prepaid expenses	33	26
	5,832	7,126
ACCOUNTS RECEIVABLE – PROVINCE OF MANITOBA (note 10)	288	288
CAPITAL ASSETS (notes 2 and 4)	674	650
OTHER ASSETS (notes 2 and 5)	568	602
	$7,362	$8,666

LIABILITIES

CURRENT		
Payables and accruals (note 6)	$1,931	$3,355
SEVERANCE LIABILITY (note 9)	234	218
	2,165	3,573

EQUITY

CONTRIBUTED EQUITY (note 7)	1,246	1,246
RETAINED EARNINGS	3,951	3,847
	5,197	5,093
	$7,362	$8,666

Commitments (note 8)

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2002

	2002	2001
SALES, schedule 1	$18,771	$19,095
COST OF GOODS SOLD	14,878	14,935
GROSS PROFIT	3,893	4,160
EXPENSES		
Salaries and benefits	2,399	1,988
Operating costs	323	337
Administrative expenses, schedule 2	667	878
	3,389	3,203
NET INCOME	504	957
REVENUE SHARING – Province of Manitoba	(400)	(525)
RETAINED EARNINGS, beginning of year	3,847	3,415
RETAINED EARNINGS, end of year	$ 3,951	$ 3,847

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2002

	2002	2001
OPERATING ACTIVITIES		
Net earnings	$ 504	$ 957
Amortization	557	623
	1,061	1,580
Change in		
Investments – pension related	0	529
Accounts receivable	1,226	(677)
Inventories	205	10
Prepaids	(7)	36
Payables and accruals	(1,424)	137
Severance pay liability	16	(18)
	1,077	1,597
INVESTING ACTIVITIES		
Acquisition of Home Care equipment	(309)	(355)
Acquisition of capital assets	(100)	(26)
Acquisition of other assets	(138)	(16)
	(547)	(397
FINANCING ACTIVITIES		
Revenue sharing to the Consolidated Fund	(400)	(525)
INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	130	675
CASH AND SHORT-TERM INVESTMENTS, beginning of year	1,787	1,112
CASH AND SHORT-TERM INVESTMENTS, end of year	$ 1,917	$ 1,787

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

1. NATURE OF ORGANIZATION

The Government of Manitoba established a central warehouse operation in 1974. Its mandate was to cost effectively meet the needs of departments and certain boards, commissions and agencies of the Crown, for a variety of commonly used items.

Effective April 1, 1993, Materials Distribution Branch was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from the Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Transportation and Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of the Financing Authority.

The Materials Distribution Agency continues to be part of Manitoba Transportation and Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

The Materials Distribution Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Materials Distribution Agency is economically dependent on the Province of Manitoba and the Manitoba Regional Health Authorities, deriving most of its revenue and all of its capital financing requirements from the Province.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependant upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital Assets

Capital assets are recorded at cost and are amortized annually at the following rates and bases:

Computer equipment	- 20%, straight-line basis
Fixtures	- 20%, straight-line basis
Office equipment	- 20%, diminishing balance basis
Rental equipment	- 20%, diminishing balance basis
Warehouse equipment	- 20%, diminishing balance basis
Leasehold improvements	- over 5 years, straight-line basis

Assets that relate to the transfer of the Home Care Equipment and Supplies Program are recorded at cost and are amortized at accelerated rates as follows:

Computer equipment, accelerated	- 33%, straight-line basis
Fixtures, accelerated	- 33%, straight-line basis
Office equipment, accelerated	- 33%, straight-line basis
Warehouse equipment, accelerated	- 33%, straight-line basis
Leasehold improvements, accelerated	- over 3 years, straight-line basis

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Non-consumable equipment relating to the Home Care Equipment and Supplies Program are amortized at varying rates in order to reflect the varying periods of useable "life".

Rental equipment	- over 2, 3 or 5 years, straight-line basis

Other Assets

Other assets are recorded at cost and are amortized at the following rate on a straight-line basis:

Computer conversion	- over 5 years
Computer conversion, accelerated	- over 3 years

Pension Liability

Employees of the Materials Distribution Agency are eligible for pensions in accordance with provisions of The Civil Services Superannuation Act.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, Agency transferred the pension liability for its employees to the Province subject to the following:

a) During the 2002 fiscal year, in accordance with the terms of the agreement, the Agency transferred to the Province funds equal to the net assets required to discharge its pension obligations as of March 31, 2001.

b) Commencing April 1, 2001, the Agency is also required to pay the Province an amount equal to its employees' current pension contributions.

c) As of March 31, 2002, the Agency has discharged its pension obligations and has no outstanding liability.

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

3. INVENTORIES

	2002	2001
Medical, Lab and X-ray supplies	$ 174	$ 246
Reproductive health supplies	47	53
Medical supplies	382	447
Ostomy supplies	145	272
Equipment consumables	24	12
	772	1,030
Stationery	312	297
Forms	106	73
Janitorial	100	114
Furnishings	18	18
Software and computer supplies	2	0
New furniture	14	1
Office equipment consumables	9	5
	$ 1,333	$ 1,538

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2002 Net	2001 Net
Computer equipment	$ 43	$ 21	$ 22	$ 31
Fixtures	40	40	0	8
Office equipment	32	25	7	8
Warehouse equipment	174	66	108	55
Leasehold improvements	164	125	39	35
	453	277	176	137
Accelerated				
Computer equipment	48	48	0	0
Fixtures	63	63	0	0
Office equipment	22	22	0	0
Warehouse equipment	61	61	0	0
Leasehold improvements	120	120	0	0
	314	314	0	0
Home Care equipment	1,869	1,371	498	513
	$ 2,636	$ 1,962	$ 674	$ 650

5. OTHER ASSETS

	Cost	Accumulated Amortization	2002 Net	2001 Net
Computer conversion	$ 995	$ 427	$ 568	$ 602

6. WORKING CAPITAL PAYABLE

The Agency has an authorized line of working capital advances of $800, none of which was used at March 31, 2002 or 2001.

7. CONTRIBUTED EQUITY

Loan Authority – April 1,1993

The Special Operating Agencies Financing Authority (SOAFA) and the Manitoba Provincial Government enered into a Transfer Agreement respecting the transfer from Manitoba to the FinancingAuthority of inventory and fixed assets valued at $1,464 required for the continuing operations of the Materials Distribution Agency as at March 31, 1993. The Agency repaid the debt portion of $732 (being ½ of the value of the assets) and recorded the blance, $732, as Manitoba's equity in the Financing Authority as related to the Agency operations.

Loan Authority – April 1,1997

SOAFA and the ManitobaProvincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority for the net assets of the HCESP valued at $1,027 s at April 1, 1997. The Agency repaid the debt portion of $513 (being ½ of the valu of the assets) and recorded the balance, $514, as Manitoba's equity in the Financing Athority as related to the Agency operations.

8. COMMITMENTS

Leased Premises

The Agency has entered into a master lease agreement with the Province of Manitoba for rental of facilities at 1680 Church Avenue, Winnipeg, Manitoba, which expires on March 31, 2002.

The Agency has entered into an ancillary lease agreement directly with the landlord for rental of 8,500 sq. ft. at 1660 Church Avenue, Winnipeg, Manitoba, which expired on March 31, 2002. Occupancy charges are an annual $31, payable in monthly instalments.

The Agency has also obtained 5,790 sq. ft. at 1678 Church Avenue, Winnipeg, Manitoba, wherein the Landlord has entered into an ancillary lease agreement directly with the Agency. The lease expired on March 31, 2002. Occupancy charges are an annual $17 payable in monthly instalments.

The Agency is reviewing its facility needs.

Revenue Sharing

The Agency's approved 2002/03 Business Plan calls for $400 in revenue sharing to be paid in quarterly instalments to the Consolidated Fund during 2002/03.

9. SEVERANCE LIABILITY

Effective April 1, 1998 the Agency commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Agency. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $254 has been completely offset by a receivable from the Province.

9. SEVERANCE LIABILITY, continued

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in February 2001. The liability as at March 31, 2000 was restated to $210 and the receivable from the Province was restated to $274 as a result of the actuarial valuation.

The actuarial report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $234 as at March 31, 2002.

10. ACCOUNTS RECEIVABLE – PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlement earned by the employees of Materials Distribution Agency prior to their designation as SOA's. It also includes severance pay benefits earned by SOA employees to March 31, 1998 as well as the benefits accumulated by the employees of the Manitoba Securities Commission prior to March 31, 1997. The balance is comprised of:

	2002	2001
Vacation entitlements	$233	$233
Severance pay benefits	55	55
	$288	$288

The timing of the collection of these receivables will vary for each SOA. The receivable, or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

11. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of the Public Sector Compensation Disclosure Act that annual pubic disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2002, the following employees received compensation in excess of $50.

Name	Position	2002	200
Ted Norrington	A/Controller	$ 54	$ 0
Kathy Demchuk	Marketing Manager	52	0
Petra Berner-Krieger	Controller	0	6
Grant Cancilla	Equipment Manager	0	2

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

SCHEDULE OF SALES
(In Thousands)
YEAR ENDED MARCH 31, 2002

	2002	2001
Warehoused Items		
Medical, Lab and X-ray	$ 1,751	$ 1,970
Medical forms	125	131
Reproductive	219	330
Medical supplies	3,731	3,396
Ostomy supplies	1,578	1,487
Equipment consumables	123	109
	7,527	7,423
Stationery	1,966	1,879
Forms	120	180
Janitorial	633	633
Furnishings	84	103
Office equipment consumables	102	101
Software and computer supplies	2,530	1,865
Miscellaneous	8	131
	12,970	12,315
Direct (factored sales)		
Stationery	687	760
Medical, Lab and X-ray	72	121
Janitorial	264	267
Furniture, new	1,422	2,050
	2,445	3,198
Other Revenue		
Home Care equipment rentals	1,603	1,581
Office equipment – copy centres	794	805
Office equipment – maintenance program	133	190
Used furniture	29	25
Disposal	22	38
Moving and freight	618	779
Storage	68	69
Interest	86	95
Miscellaneous	3	0
	3,356	3,582
TOTAL REVENUE	$18,771	$19,095

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

SCHEDULE OF ADMINISTRATIVE EXPENSES
(In Thousands)
YEAR ENDED MARCH 31, 2002

	2002	2001
ADMINISTRATIVE EXPENSES		
SOAFA fees	$ 2	$ 2
Professional services	10	99
Amortization	232	266
Bad debts	50	0
Computer	251	363
Office	50	62
Promotion and marketing	23	63
Telephone	43	22
Training and education	6	1
	$ 667	$ 878

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2002

BDO Dunwoody LLP
Chartered Accountants
and Consultants

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority

Financial Statements

For the year ended March 31, 2002

Contents

Management's Responsibility for Financial Reporting	2
Auditors' Report	3
Financial Statements	
Balance Sheet	4
Statement of Operations and Retained Earnings	5
Statement of Cash Flows	6
Notes to Financial Statements	7

Management's Responsibility for Financial Reporting

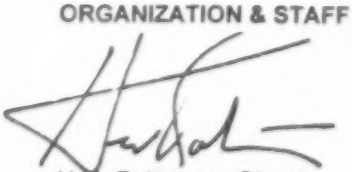
The accompanying financial statements are the responsibility of the management of **ORGANIZATION & STAFF DEVELOPMENT** (OSD) and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available to June 17, 2002.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The responsibility of the Auditor General is to express an independent opinion on whether the financial statements of OSD are fairly represented in accordance with Canadian generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

ORGANIZATION & STAFF DEVELOPMENT



Herb Robertson, Director
June 17, 2002

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba

We have audited the balance sheet of Organization and Staff Development, an Agency of The Special Operating Agencies Financing Authority, as at March 31, 2002 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
June 17, 2002

BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg, Manitoba, Canada R3C 4L5
Telephone: (204) 956-7200
Telefax: (204) 926-7201

Auditors' Report

To the Auditor General
Province of Manitoba

We have audited the balance sheet of **ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority as** at March 31, 2002 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2002 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
June 17, 2002

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority
Balance Sheet

March 31	2002	2001
		(000's)
Assets		
Current Assets		
Cash and bank (Note 3)	$ 111	$ 84
Short-term investments	222	317
Accounts receivable	175	203
Inventories	31	3
	539	607
Severance receivable (Note 5)	39	39
Capital assets (Note 6)	10	13
	$ 588	$ 659
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 155	$ 245
Accounts payable - Province of Manitoba (Note 4)	-	107
	155	352
Severance liability (Note 5)	51	47
	206	399
Equity		
Retained earnings	382	260
	$ 588	$ 659

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority
Statement of Operations and Retained Earnings

For the year ended March 31

(000's)

	2002 Actual	2001 Actual	Variance	Budget	Variance
Revenue					
Training and consulting	$ 1,308	$ 1,190	$ 118	$ 1,112	$ 196
Interest	10	17	(7)	6	4
	1,318	1,207	111	1,118	200
Expenses					
Professional fees	418	421	(3)	441	(23)
Salaries and benefits	355	316	39	356	(1)
Books and course materials	110	126	(16)	30	80
Food and beverages	71	27	44	27	44
Departmental support services	41	68	(27)	70	(29)
Accommodations	40	34	6	30	10
Office supplies	32	13	19	8	24
Desk top management	30	30	-	24	6
Marketing	24	16	8	11	13
Communications	16	14	2	17	(1)
Rentals	16	8	8	27	(11)
Occupancy costs	15	17	(2)	18	(3)
Transportation	12	32	(20)	28	(16)
Professional development	9	6	3	10	(1)
Other	4	1	3	4	-
Amortization	3	3	-	3	-
	1,196	1,132	64	1,104	92
Net income for the year	122	75	47	14	108
Retained earnings, beginning of year	260	185			
Retained earnings, end of year	$ 382	$ 260			

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31	2002	2001
		(000's)
Cash Flows from Operating Activities		
Net income for the year	$ 122	$ 75
Adjustments for		
Amortization of capital assets	3	3
Pension and severance expense	-	6
	125	84
Net change in non-cash working capital balances	(193)	(48)
	(68)	36
Cash Flows from Investing Activities		
Purchase of capital assets	-	(4)
Transfer to pension fund	-	(36)
Transfer pension fund to short-term investments	-	133
	-	93
Increase (decrease) in cash and equivalents during the year	(68)	129
Cash and cash equivalents, beginning of year	401	272
Cash and cash equivalents, end of year	$ 333	$ 401
Represented by		
Cash and bank	$ 111	$ 84
Short-term investments	222	317
	$ 333	$ 401

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority
Notes to Financial Statements

March 31, 2002 **(000's)**

1. Nature of Organization

Effective April 1, 1994, Organization and Staff Development (OSD) of the Civil Service Commission was designated by regulation as a Special Operating Agency under The Special Operating Agencies Financing Authority Act and operates under a charter approved by the Lieutenant Governor in Council. Its mandate is to provide consulting and training services to support the implementation of the government's human resource policies and priorities.

The Agency is financed through the Special Operating Agencies Financing Authority. The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister responsible for the Civil Service Commission assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

OSD continues to be part of the Civil Service Commission under the general direction of the Commissioner and ultimately the policy direction of the Minister responsible for The Civil Service Act.

OSD remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

OSD is economically dependant on the Province of Manitoba. Currently, the Agency derives most of its revenue from the Province and all of its capital financing requirements through the Financing Authority.

2. Significant Accounting Policies

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

2. Significant Accounting Policies (continued)

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital Assets

Rates of amortization applied to write off the cost of capital assets over their estimated life are as follows:

Furniture and office equipment	20% straight line
Computer equipment	20% straight line

One half year's amortization is applied to computer equipment in the year of acquisition.

3. Working Capital

The Agency has an authorized line of working capital advances of $120 which was unused and available at March 31, 2002.

4. Pension Liability

Employees of the Agency are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, Organization and Staff Development transferred to the Province the pension liability for its employees, subject to the following conditions:

During the 2002 fiscal year, in accordance with the terms of the agreement, the Agency transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001. Commencing April 1, 2001, Organization and Staff Development is also required to pay to the Province an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, Organization and Staff Development has discharged its pension obligations and has no outstanding liability.

5. Severance Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 1, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $33 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for Organization and Staff Development, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance liability as at March 31, 2000 was completed in 2001. The liability as at March 31, 2000 was restated to $42 and the receivable from the Province was restated to $39. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $51 as at March 31, 2002.

6. Capital Assets

	2002			2001		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture & fixtures	$ 10	$ 7	$ 3	$ 10	$ 6	$ 4
Computers	12	5	7	12	3	9
	$ 22	$ 12	$ 10	$ 22	$ 9	$ 13

7. Public Sector Compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2002, the following employees received compensation of $50,000 or more.

	2002	2001
J. Desrochers	$ 56	$ 54
E. Dickson	56	54
H. Robertson	83	71

8. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The Agency enters into transactions with these entities in the normal course of business.

9. Comparative Figures

Comparative figures for the year ended March 31, 2001 have been restated to conform with the presentation adopted for the current year.

VITAL STATISTICS AGENCY

FINANCIAL STATEMENTS

MARCH 31, 2002

5. MANAGEMENT REPORT

To the Special Operating Agencies Financing Authority

The accompanying financial statements are the responsibility of the management of the Vital Statistics Agency and have been prepared in accordance with generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to May 24, 2002.

Management maintains internal controls to properly safeguard the Vital Statistics Agency's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and established policies and procedures are followed.

The Auditor's responsibility is to express an independent opinion on whether the financial statements of the Vital Statistics Agency are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management,

Caroline E. Kaus
Chief Operating Officer

Rudy Gerling
Manager of Finance,
Administration and Marketing

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2002

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Earnings	3
Statement of Retained Earnings	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 9
Schedule of Operating Expenses	10
Schedule of Public Sector Compensation Disclosure	11

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Vital Statistics Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2002 and the statements of earnings, retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 24, 2002

CHARTERED ACCOUNTANTS

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2002

	2002	2001
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 428	$ 925
Accounts receivable (Note 4)	51	64
Inventories	43	28
Prepaids	19	8
	541	1,025
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 5 and 8)	94	94
CAPITAL ASSETS (Note 6)	755	911
	$ 1,390	$ 2,030
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued	$ 61	$ 181
Accounts payable - Province of Manitoba (Note 7)	-	411
Accrued unused vacation entitlements	121	110
Unearned revenue	121	93
	303	795
SEVERANCE PAY LIABILITY (Note 8)	150	134
	453	929
EQUITY		
RETAINED EARNINGS	937	1,101
	$ 1,390	$ 2,030

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
REVENUE		
Net sales	$ 2,273	$ 2,259
Proceeds from government departments	114	113
Interest	15	29
	2,402	2,401
EXPENSES		
Salaries and employee benefits	1,347	1,229
Operating expenses (Page 10)	796	765
Amortization - capital assets	188	224
	2,331	2,218
NET EARNINGS FOR THE YEAR	$ 71	$ 183

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
RETAINED EARNINGS, beginning of year	$ 1,101	$ 1,618
Net earnings for the year	71	183
	1,172	1,801
Revenue sharing payment to Province of Manitoba	235	700
RETAINED EARNINGS, end of year	$ 937	$ 1,101

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net earnings for the year	$ 71	$ 183
Adjustments for		
Amortization - capital assets	188	224
Severance pay expense	16	15
	275	422
Changes in non-cash working capital balances		
Accounts receivable	13	(23)
Inventories	(15)	-
Prepaids	(11)	-
Accounts payable and accrued	(528)	553
Accrued unused vacation entitlements	11	15
Unearned revenue	28	27
	(227)	994
FINANCING ACTIVITIES		
Change in accrued pension liability	-	(456)
Revenue sharing payment to Province of Manitoba	(235)	(700)
	(235)	(1,156)
INVESTING ACTIVITIES		
Capital asset additions	(35)	(157)
Change in deferred contribution - Province of Manitoba	-	65
	(35)	(92)
CHANGE IN CASH AND SHORT TERM DEPOSITS	(497)	(254)
CASH AND SHORT TERM DEPOSITS, beginning of year	925	1,179
CASH AND SHORT TERM DEPOSITS, end of year	$ 428	$ 925

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

1. NATURE OF ORGANIZATION

Effective April 1, 1994, the Lieutenant Governor in Council designated the Vital Statistics Agency as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council 232/1994. The Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency, to enter into a management agreement with respect to the Agency.

A Management Agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to the Vital Statistics Agency in delivering regulated services to clients through administration of three major Acts; The Vital Statistics Act; The Change of Name Act; and The Marriage Act. The Agency also handles disinternments under the Public Health Act. The ownership of the vital events records is excluded from this agreement, as their ownership is considered Crown property and should not be alienated from Government protection in the public interest.

The Vital Statistics Agency continues to be part of Manitoba Consumer and Corporate Affairs under the general direction of the Deputy Minister, Consumer and Corporate Affairs who is also Chairperson of the Vital Statistics Agency's advisory committee. The Agency's general direction is provided by the Deputy Minister and the Minister.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of reporting

The financial statements have been prepared in accordance with generally accepted accounting principles.

(b) Inventories

Inventories of certificates and pre-printed forms are valued at cost. Cost is determined on a first-in, first-out basis.

(c) Capital assets

Capital assets are amortized over their estimated useful lives as follows:

	Rate	Method
Office equipment	20%	Straight line
Furniture and fixtures	20%	Straight line
Security equipment	20%	Straight line
Leasehold improvements	20%	Straight line
Information system	20%	Declining balance
Data conversion	20%	Declining balance

The half-year rule is used in the year of acquisition and disposition.

(d) Unearned revenue

The Agency receives cash payments at the time various certificates are ordered and the cash payments are reflected as unearned revenue. Revenue is recognized at the time the service is completed and the certificate is issued.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

3. WAIVER OF FEES

The Vital Statistics Agency charges no fee for services in exchange for services from the following organizations:

(a) The Manitoba Development Centre, health care facilities, the Chief Medical Examiner's Office (Manitoba Justice), the Manitoba Funeral Association and the Department of Anatomy of the University of Manitoba as they provide services in accordance with The Vital Statistics Act.

(b) Child and Family Services Regional Operations of Manitoba Family Services to act as issuers of Marriage Licences and handling related administrative duties.

(c) Vital Statistics Offices in other jurisdictions through agreements to exchange information between jurisdictions as it relates to one another's residency or birthplace.

Services provided under the above agreements are valued at $5 for the year ended March 31, 2002 (2001 - $3).

The Vital Statistics Agency provides the following services without compensation to the Federal Government:

(a) Statistics Canada for national tabulation and statistical information. Statistics Canada provides payment for the microdata and microfilm records from the Vital Statistics Agency and provides half of the cost of printing registration forms.

(b) Health and Welfare Canada (Indian and Northern Affairs)

Services provided under the above arrangements are valued at $Nil for the year ended March 31, 2002 (2001 - $Nil).

The Agency provides services without compensation to victims of crimes as follows:

In March of 1998, the Ministers of Justice, Consumer and Corporate Affairs, and Highways and Transportation agreed that the fees for replacement documents should be waived. Representatives of Vital Statistics and the Division of Driver and Vehicle Licensing met to coordinate the process so the public would receive the same program from both agencies.

Effective January 1, 1999, members of the public who have had their birth certificates stolen during a criminal act can request replacement certificates and have the fee waived. This does not apply to members of the public who have lost their identification or individuals who are non-residents of Manitoba.

Clients are asked to indicate that they are requesting a waiver of fees as a result of a criminal act and to provide the police incident number.

Services provided under the above arrangement are valued at $19 for the year ended March 31, 2002 (2001 -$18).

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

4. ACCOUNTS RECEIVABLE

	2002	2001
Trade	$ 57	$ 69
Interest	-	1
	57	70
Allowance for doubtful accounts	6	6
	$ 51	$ 64

5. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for severance pay benefits prior to April 1, 1998.

The timing of the collection of this receivable will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2002	Net Book Value 2001
Office equipment	$ 113	$ 63	$ 50	$ 45
Furniture and fixtures	102	49	53	71
Security equipment	40	27	13	19
Leasehold improvements	72	46	26	27
Information system	710	455	255	357
Data conversion	759	401	358	392
	$ 1,796	$ 1,041	$ 755	$ 911

7. ACCRUED PENSION LIABILITY

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees, subject to the following conditions:

- During the 2002 fiscal year, in accordance with the terms of the agreement, the Agency transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001.
- Commencing April 1, 2001, the Agency is also required to pay to the Province an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, the Agency has discharged its pension obligations and has no outstanding liability.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

8. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $126 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in prior years. The liability as at March 31, 2001 was estimated at $134 and the receivable from the Province was estimated at $94 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2001. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $150 as at March 31, 2002.

9. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 254 Portage Avenue. Occupancy charges for the year ending March 31, 2003 are estimated to be $157 (2002 - $157).

The Agency is also leasing computers from the Province of Manitoba under the Desktop Program. The leases expire in December 2003, with future estimated lease payments as follows:

Year	Amount
2003	$ 55
2004	41
	$ 96

10.FINANCING ARRANGEMENTS

Working capital advances and long-term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $250 limit for working capital advances for the Agency. The Agency has not accessed working capital advances in the current year.

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Accommodation	$ 157	$ 154
Advertising	26	17
Bad debts	11	1
Central government charges	24	16
Computer information system	279	268
Office supplies	22	23
Other operating expenses	32	31
Printed material supplies	69	75
Professional fees	33	40
Supplies for mechanized systems	1	4
Telecommunications	24	37
Training	5	3
Transportation and freight	113	96
	$ 796	$ 765

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2002	2001
Caroline Kaus	Chief Operating Officer	$ 71	$ 62
Rudy Gerling	Manager of Finance, Administration and Marketing	53	52
Janet Usher	Assistant Director	51	-

CIVIL LEGAL SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2002

Manitoba

Justice

Civil Legal Services
SOA

Room 730
Woodsworth Building
405 Broadway
Winnipeg, Manitoba CANADA
R3C 3L6

PH: (204) 945-2846
FAX: (204) 948-2041«FaxExtension»

File No.
In reply please refer to:
Tom Hague
Chief Operating Officer

Civil Legal Services
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by Magnus & Buffie, Chartered Accountants, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, and to discuss the results of their audit and their views on the adequacy of internal controls and the quality of the financial reporting.

Tom Hague
Chief Operating Officer

June 5, 2002

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

CONTENTS
MARCH 31, 2002

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Earnings and Retained Earnings	3
Statement of Cash Flow	4
Notes to Financial Statements	5 - 7
Schedule of Public Sector Compensation Disclosure	8

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Civil Legal Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2002 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

June 5, 2002

CHARTERED ACCOUNTANTS

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2002

	2002	2001
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 524	$ 260
Accounts receivable	341	562
Term deposits - pension trust	-	902
	865	1,724
RECEIVABLE FROM PROVINCE OF MANITOBA (Note 4)	379	379
CAPITAL ASSETS (Note 5)	160	92
TRUST ASSET	7	7
	$ 1,411	$ 2,202
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 108	$ 156
Revenue sharing - Province of Manitoba	-	250
Vacation payable	342	261
Pension payable (Note 6)	-	767
	450	1,434
SEVERANCE LIABILITY (Note 7)	349	315
TRUST LIABILITY	7	7
	806	1,756
EQUITY		
RETAINED EARNINGS	605	446
	$ 1,411	$ 2,202

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS
(in thousands)

FOR THE YEAR ENDED MARCH 31, 2002	2002	2001
REVENUE		
Recoveries	$ 4,316	$ 4,155
Interest and other	7	44
	4,323	4,199
EXPENSES		
Advertising and promotion	3	6
Amortization	36	31
Communications	42	38
Computer	37	37
Desktop management initiative	232	208
Equipment rental	3	4
Law Society dues	31	36
Law cases disbursements	8	-
Miscellaneous	8	5
Occupancy	117	150
Office	48	49
Postage and deliveries	11	11
Professional fees and services	56	45
Publications	25	15
Travel	45	27
Wages and benefits	3,462	3,092
	4,164	3,754
NET EARNINGS FOR THE YEAR	159	445
RETAINED EARNINGS, beginning of year	446	501
	605	946
REVENUE SHARING - PROVINCE OF MANITOBA	-	500
RETAINED EARNINGS, end of year	$ 605	$ 446

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net earnings for the year	$ 159	$ 445
Adjustment for		
Amortization	36	31
	195	476
Changes in non-cash working capital balances		
Accounts receivable	221	(256)
Term deposits - pension trust	902	(902)
Accounts payable and accrued liabilities	(48)	95
Revenue sharing - Province of Manitoba	(250)	250
Vacation payable	81	7
Pension payable	(767)	767
	334	437
FINANCING ACTIVITIES		
Change in pension liability (Note 6)	-	(802)
Change in severance liability	34	30
Revenue sharing - Province of Manitoba	-	(500)
	34	(1,272)
INVESTING ACTIVITIES		
Capital asset additions	(104)	(54)
Change in term deposits - pension trust	-	668
Change in deferred contribution - Province of Manitoba	-	126
	(104)	740
CHANGE IN CASH AND SHORT TERM DEPOSITS	264	(95)
CASH AND SHORT TERM DEPOSITS, beginning of year	260	355
CASH AND SHORT TERM DEPOSITS, end of year	$ 524	$ 260

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

1. NATURE OF ORGANIZATION

The role of Civil Legal Services ("CLS") flows from the constitutional and statutory responsibilities of the Minister of Justice as the Chief Legal Advisor to government and the guardian of the public interest. Acting pursuant to government policy, Civil Legal Services is responsible for providing a full range of high quality legal services, on a cost recovery basis, to its clients, namely the Government of Manitoba, the government's agencies, boards and committees and some Crown corporations.

On April 1, 1992, CLS became the first government legal services office in Canada to recover the cost of providing legal services to its clients. While a number of provinces and the federal government are currently looking at the issue of cost recovery for in-house legal services, CLS remains the only government legal services office to operate on this basis.

Effective April 1, 1995, CLS was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

CLS is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from CLS operations. It finances CLS through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigourous planning and reporting requirements afforded by Special Operating status, assists CLS to sustain the provision of high quality legal services to its clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to CLS to manage and account for CLS related assets and operations on behalf of the Financing Authority.

CLS continues to be part of Manitoba Justice under the general direction of the Associate Deputy Minister, and ultimately the policy direction of the Deputy Minister and Minister.

CLS remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

CLS is economically dependent on the Province of Manitoba because it derives most of its revenue from the Province and all of its financing requirements through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are summarized as follows:

Capital Assets: Capital assets are recorded at cost and are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)
Leasehold Improvements	20% straight line (10% in year of acquisition)

3. FINANCING ARRANGEMENTS

The Special Operating Agencies Financing Authority has provided the Agency with an authorized line of working capital of $500 of which $nil was used at March 31, 2002.

4. RECEIVABLE FROM PROVINCE OF MANITOBA (Note 7)

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2002	2001
Vacation Entitlements	$ 140	$ 140
Severance Pay Benefits	239	239
	$ 379	$ 379

The timing of the collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2002	Net Book Value 2001
Computer Equipment and Software	$ 69	$ 7	$ 62	$ -
Furniture and Fixtures	170	83	87	74
Leasehold improvements	53	42	11	18
	$ 292	$ 132	$ 160	$ 92

6. PENSION LIABILITY

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees, subject to the following conditions:

- During the 2002 fiscal year, in accordance with the terms of the agreement, the Agency transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001.
- Commencing April 1, 2001, the Agency is also required to pay to the Province an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, the Agency has discharged its pension obligations and has no outstanding liability.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

7. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability as at April 1, 1998 calculated at $248 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in prior years. The liability as at March 31, 2001 was estimated at $315 and the receivable from the Province was estimated at $239 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2001. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $349 as at March 31, 2002.

8. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2003 are estimated to be $162.

The Agency is also leasing computers from the Province of Manitoba under the Desktop Program. The future estimated lease payments are as follows:

Year	Amount
2003	$ 235

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2002	2001
I. Allen	Legal Counsel	$ 92	$ 79
E. Andres	Legal Counsel	89	81
J. Barak	Legal Counsel	-	80
A. Berg	Legal Counsel	95	84
T. Bjornson	Legal Counsel	-	61
T. Brothers	Legal Counsel	-	50
J. Frederickson	Legal Counsel	50	-
I. Frost	Legal Counsel	93	81
D. Gisser	Legal Counsel	93	81
D. Guenette	Legal Counsel	64	56
T. Hague	Director	99	92
G. Hannon	Legal Counsel	93	81
S. Hoeppner	Legal Counsel	70	-
B. Jones	Legal Counsel	59	53
J. Kapac	Legal Counsel	92	80
D. Lofendale	Legal Counsel	96	74
W. McFetridge	Legal Counsel	95	84
M. McGunigal	Legal Counsel	68	60
G. Mildren	Legal Counsel	95	84
S. Pierce	Legal Counsel	93	81
K. Ranson	Legal Counsel	55	-
C. Romeo	Legal Counsel	95	85
K. Scott	Legal Counsel	63	-
D. Seale	Legal Counsel	64	55
A. Stevens	Legal Counsel	58	-
N. Trenholm	Legal Counsel	50	-
M. Webb	Legal Counsel	93	74
D. Werthman	Legal Counsel	-	73
I. Wiebe	Legal Counsel	50	-
R. Winters	Legal Counsel	93	81

MERLIN

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

Financial Statements
For the year ended March 31, 2002

BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants

The accompanying financial statements are the responsibility of the Management of Manitoba Education, Research and Learning Information Networks (MERLIN) and have been prepared in accordance with generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to June 4, 2002.

Management maintains internal controls to properly safeguard MERLIN's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The Auditors' responsibility is to express an independent opinion on whether the financial statements of MERLIN are fairly presented in accordance with generally accepted accounting principles. The Auditor's report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management,

GREG BAYLIS
Chief Operating Officer

W. WAYNE LAVALLEE
Controller

Manitoba Education, Research and Learning Information Networks (MERLIN)

June 4, 2002

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

Financial Statements
For the year ended March 31, 2002

Contents

Auditors' Report	**2**
Financial Statements	
Balance Sheet	3
Statement of Income and Deficit	4
Statement of Cash Flows	5
Summary of Significant Accounting Policies	6
Notes to Financial Statements	7
Supplementary Information to the Financial Statements	
Schedule of Public Sector Compensation Disclosure	10

BDO

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Auditors' Report

To the Special Operating Agencies Financing Authority:

We have audited the balance sheet of **MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS**, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2002 and the statements of income and deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
June 4, 2002

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet
(In Thousands)

March 31	2002	2001
Assets		
Current Assets		
Accounts receivable	$ 292	$ 574
Prepaid expense	50	30*
Short-term investment	-	191
Inventory	-	2
	342	797
Receivable from the Province of Manitoba (Note 1)	47	47
Capital assets (Note 2)	355	296
	$ 744	$ 1,140
Liabilities and Equity		
Current Liabilities		
Working capital advances (Note 3)	$ 717	$ 286
Accounts payable and accrued expenses	221	833
Unearned revenue	39	64
Trust liabilities (Note 5)	109	261
	1,086	1,444
Severance pay liability (Note 6)	52	46
	1,138	1,490
Commitments (Note 9)		
Deficit (Page 4)	(394)	(350)
	$ 744	$ 1,140

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Statement of Income and Deficit

(In Thousands)

For the year ended March 31	2002	2001
Revenue		
Provincial licencing and purchasing	$ 1,410	$ 1,073
Internet services	440	636
Information technology services	240	579
Provincial technology standards	200	-
Electronic conferencing	150	159
Web delivery services	181	194
Technical training services	42	52
Total revenue	2,663	2,693
Expenses		
Provincial licencing and purchasing	1,436	1,130
Internet services	551	617
Information technology services	238	589
Provincial technology standards	191	-
Electronic conferencing	156	205
Web delivery services	117	105
Technical training services	18	63
Total expenses	2,707	2,709
Net Income (Loss)		
Provincial licencing and purchasing	(26)	(57)
Internet services	(111)	19
Information technology services	2	(10)
Provincial technology standards	9	-
Electronic conferencing	(6)	(46)
Web delivery services	64	89
Technical training services	24	(11)
Total net loss	(44)	(16)
Deficit, beginning of year	(350)	(334)
Deficit end of year	$ (394)	$ (350)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows
(In Thousands)

For the year ended March 31	2002	2001
Cash Flows from Operating Activities		
Net loss for the year	$ (44)	$ (16)
Adjustment for		
Amortization	102	81
	58	65
Changes in non-cash working capital		
Accounts receivable	282	466
Prepaid expenses	(18)	(28)
Short term investment	191	(52)
Accounts payable	(612)	160
Unearned revenue	(25)	(15)
Trust liability	(152)	161
	(334)	692
	(276)	757
Cash Flows from Investing Activities		
Capital assets	(161)	(190)
Cash Flows from Financing Activities		
Pension liability	-	(181)
Severance liability	6	7
	6	(174)
Net increase (decrease) in cash	(431)	393
Working capital advances, beginning of year	(286)	(679)
Working capital advances, end of year	$ (717)	$ (286)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Summary of Significant Accounting Policies

March 31, 2002

Nature of Organization

Effective April 1, 1995, Manitoba Education, Research and Learning Information Networks (MERLIN) was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

A Management Agreement between SOAFA and the Minister of Education, Training and Youth assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA.

The Agency continues to be part of Manitoba Education, Training and Youth under the general and policy direction of the Minister.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba as it derives much of its revenue and all of its financing requirements from the Province.

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost and are amortized annually on a straight-line basis as follows:

Computer hardware	20%
Computer software	20%
Equipment and furniture	20%

In the period of acquisition, amortization is calculated at one-half the rate indicated.

1. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to designation as a Special Operating Agency and for severance pay benefits prior to March 31, 1998. This receivable, or portion thereof, for the Agency will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency. The balance is comprised of:

	2002	2001
Vacation entitlements	$ 19	$ 19
Severance pay benefits	28	28*
	$ 47	$ 47

2. Capital Assets

	Cost	2002 Accumulated Amortization	Cost	2001 Accumulated Amortization
Computer hardware	$ 393	$ 157	$ 328	$ 123
Computer software	57	35	65	33
Equipment and furniture	173	76	121	62
	$ 623	$ 268	$ 514	$ 218
Cost less accumulated amortization		$ 355		$ 296

3. Working Capital Advances

These advances are provided to the Agency through the Special Operating Agencies Financing Authority pursuant to the Management Agreement. The Agency has an authorized line of working capital advances of $2.0 million.

4. Accrued Vacation Entitlements

The Agency follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1998. The liability at this date is offset by a receivable from the Province and was $19 as at March 31, 1998. Any subsequent changes to the entitlement are reflected as a current year expense to the Agency. At the end of the fiscal year 2001/2002 the accrued vacation entitlement was $70 ($83 - 2001).

5. Trust Liabilities

	2002	2001
Campus Manitoba	$ -	$ 43
Grassroots Internet	109	218
	$ 109	$ 261

Campus Manitoba represents the balance remaining of funds received from Manitoba Education, Training and Youth for distance education costs.

During the previous fiscal years the Agency entered into agreements with Industry Canada to operate GrassRoots Internet projects for both Manitoba and Canadian school. The balance in the account represents funds paid to the Agency not yet dispersed to the schools.

6. Severance Pay Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability at that time was based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $28 was completely offset by a receivable from the Province.

In accordance with the formula provided in the most recent actuarial valuation report (March 31, 2000), the Agency's liability has been calculated to be $52 as at March 31, 2002 ($46 - 2001).

7. Employee Pension Benefits

Employees of the Agency are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees, subject to the following conditions. During the 2002 fiscal year, in accordance with the terms of the agreement, the Agency transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001. Commencing April 1, 2001, the Agency is also required to pay to the Province an amount equal to its employee's current pension contributions.

Hence, as at March 31, 2002, the Agency has discharged its pension obligations and has no outstanding liability.

8. Revenue - Manitoba Education, Training and Youth

The Agency is responsible for the delivery of distance education and technology programs formerly provided through the Manitoba Education, Training and Youth. The Agency receives a fee from the Department, established annually and paid quarterly, in exchange for delivery of these services.

9. Commitments

The Agency leases office space and certain equipment under long-term leases which expire at various dates. The future minimum payments required under these leases over the next four fiscal years are:

2003	$	55,843
2004		54,655
2005		54,655
2006		52,000

10. Comparative Figures

Reporting income and expenses for the current fiscal year has been revised to reflect changes in programs and services provided by MERLIN. As a result, the March 31, 2001 income statement has been restated for comparative purposes. The net income and deficit remain unchanged.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Schedule of Public Sector Compensation Disclosure
(In Thousands)

For the year ended March 31, 2002

Employee	Title	Compensation
Ackland, Kathy	Conferencing Coordinator	$ 59
Anderson, Wilson	Senior Consultant	57
Baylis, Greg	Chief Operating Officer	87
Greider, Warren	Consultant, Internet Technologies	61
Hiebert, John	Consultant, Networking Technologies	56
Jennings, Debra	Regional Representative	56
Lafond-D'Heilly, Colette	Communications and Marketing Manager	54
Lavallee, Wayne	Controller	58
Wallin, Grant	Manager, Information and Communication Technologies	73

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum.

LAND MANAGEMENT SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2002

Land Management Services
an Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by Magnus & Buffie, Chartered Accountants, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, and to discuss the results of their audit and their views on the adequacy of internal controls and the quality of the financial reporting.

Rae P. Csversko
A/Chief Operating Officer

Normand Le Neal
Finance Officer

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2002

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Income and Retained Earnings	3
Statement of Cash Flow	4
Notes to Financial Statements	5 - 8
Schedule of Expenses	9
Schedule of Public Sector Compensation Disclosure	10

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Land Management Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2002 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

June 17, 2002

CHARTERED ACCOUNTANTS

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2002

	2002	2001
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 1,040	$ 899
Accounts receivable	104	206
Surplus properties recoverable (Note 3)	67	-
Work in process	97	69
Prepaid expenses	13	9
	1,321	1,183
DISCHARGE FUNDS HELD IN TRUST (Note 4)	3	-
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 5 and 10)	324	324
CAPITAL ASSETS (Note 6)	313	439
	$ 1,961	$ 1,946
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 243	$ 271
Accounts payable - Province of Manitoba (Note 8)	-	396
Property proceeds payable (Note 9)	295	-
	538	667
SEVERANCE PAY LIABILITY (Note 10)	235	229
FUNDS HELD IN TRUST	310	77
UNEARNED REVENUE (Note 4)	3	-
	1,086	973
EQUITY		
RETAINED EARNINGS	875	973
	$ 1,961	$ 1,946

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF INCOME AND RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
RECOVERIES	$ 2,210	$ 3,153
OTHER INCOME	10	25
INCOME BEFORE EXPENSES	2,220	3,178
EXPENSES		
Administrative (Page 9)	578	745
Operating (Page 9)	139	120
Wages and benefits	1,351	1,385
	2,068	2,250
NET INCOME FOR THE YEAR	152	928
RETAINED EARNINGS, beginning of year	973	545
	1,125	1,473
REVENUE SHARING - PROVINCE OF MANITOBA	250	500
RETAINED EARNINGS, end of year	$ 875	$ 973

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net income for the year	$ 152	$ 928
Adjustments for		
Amortization	179	192
Severance pay expense	6	20
	337	1,140
Changes in the following		
Accounts receivable	102	231
Surplus properties recoverable	(67)	-
Work in process	(28)	23
Prepaid expenses	(4)	12
Accounts payable and accrued liabilities	(28)	(92)
Accounts payable - Province of Manitoba	(396)	396
Property proceeds payable	295	-
	211	1,710
FINANCING ACTIVITIES		
Change in accrued pension liability	-	(451)
Revenue sharing - Province of Manitoba	(250)	(500)
Change in funds held in trust	233	(9)
	(17)	(960)
INVESTING ACTIVITIES		
Capital asset additions	(53)	(33)
Change in term deposits	-	385
Change in deferred contribution - Province of Manitoba	-	68
	(53)	420
CHANGE IN CASH AND SHORT TERM DEPOSITS	141	1,170
CASH AND SHORT TERM DEPOSITS, beginning of year	899	(271)
CASH AND SHORT TERM DEPOSITS, end of year	$ 1,040	$ 899

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

1. NATURE OF ORGANIZATION

In 1965, The Land Acquisition Act was passed into law, bringing the Land Acquisition Branch into existence to provide a consistent process of real estate acquisition by government

Effective April 1, 1995, the Land Acquisition Branch, under the operating name Land Management Services ("LMS"), was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

LMS is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from LMS operations. It finances LMS through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigourous planning and reporting requirements afforded by Special Operating status, assist LMS to sustain the provision of high quality land acquisition services to its clients.

A Management Agreement between the Financing Authority and the Minister of Government Services assigns responsibility to LMS to manage and account for LMS related assets and operations on behalf of the Financing Authority.

LMS continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, and ultimately the policy direction of the Deputy Minister and Minister of Transportation and Government Services.

LMS remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

LMS is economically dependent on the Province of Manitoba because it derives most of its revenue and all of its financing requirements from the Province through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Capital assets

Capital assets are recorded at cost and are amortized annually at the following rates and methods:

Computer software and equipment	20% straight line basis, 10% in year of acquisition
Equipment - office	20% straight line basis, 10% in year of acquisition
Leasehold improvements	20% straight line basis, 10% in year of acquisition

(b) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

3. SURPLUS PROPERTIES RECOVERABLE

LMS is responsible for the disposition of certain surplus crown-owned properties. In accordance with direction from the Provincial Treasury Board, LMS has established a $200 reserve account within retained earnings to cover any aggregate annual disposition costs which exceed the proceeds of surplus Crown-owned properties offered for sale. LMS can retain excess proceeds over disposition costs of surplus Crown-owned properties to the extent of any cumulative unrecovered historical shortages.

During the year LMS experienced a $67 shortage. Management is of the opinion that this shortage will be recovered through anticipated excess proceeds in fiscal 2003.

4. DISCHARGE FUNDS HELD IN TRUST AND UNEARNED REVENUE

Discharge funds held in trust and unearned revenue represents the fee for finalizing to consolidate titles on discharge of mortgages on properties being consolidated. This fee is put into a special interest bearing trust account and the revenue deferred. When the mortgage is discharged the deferred revenue will be recognized and the funds released from the trust account. It is estimated some files could be completed in as little as two years and as many as 20 years.

5. RECEIVABLE FROM PROVINCE OF MANITOBA (Note 10)

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of LMS prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2002	2001
Vacation entitlements	$ 132	$ 132
Severance pay benefits	192	192
	$ 324	$ 324

The timing and collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of LMS.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2002	Net Book Value 2001
Computer software and equipment	$ 997	$ 736	$ 261	$ 417
Equipment - office	86	40	46	22
Leasehold improvements	7	1	6	-
	$ 1,090	$ 777	$ 313	$ 439

7. WORKING CAPITAL

LMS has an authorized line of working capital of $800, none of which was accessed at March 31, 2002.

8. ACCRUED PENSION LIABILITY

Employees of LMS are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, LMS transferred to the Province the pension liability for its employees, subject to the following conditions:

- During the 2002 fiscal year, in accordance with the terms of the agreement, LMS transferred to the Province funds equal to the net assets required to discharge its pension obligations as at March 31, 2001.
- Commencing April 1, 2001, LMS is also required to pay to the Province an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, LMS has discharged its pension obligations and has no outstanding liability.

9. PROPERTY PROCEEDS PAYABLE

LMS disposes of general Federal, Provincial operating agency and Municipal properties on a cost recovery basis. As at March 31, 2002, LMS had received proceeds on sales in excess of disposition costs of $295 (2001 - $nil) which is outstanding and due to the various entities at year-end.

10. SEVERANCE PAY LIABILITY

Effective April 1, 1998, LMS began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by LMS's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $188 was completely offset by a receivable from the Province.

An actuarial valuation report of LMS's severance as at March 31, 2000 was completed in prior years. The liability as at March 31, 2001 was restated to $229 and the receivable from the Province was restated to $192 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2001. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the LMS's actuarial liability has been calculated to be $235 as at March 31, 2002.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

11.LEASE COMMITMENTS

LMS has not entered into a lease agreement with the Province of Manitoba for rental facilities at 25 Tupper Street N. Occupancy charges for the year ending March 31, 2003 are estimated to be $98 (2002 - $98).

LMS is also leasing computers and vehicles from the Province of Manitoba, with future estimated lease payments as follows:

Year	Amount
2003	$ 91
2004	66
2005	15

12.COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to classifications used in the current year.

SCHEDULE OF EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
ADMINISTRATIVE		
Amortization	$ 179	$ 192
Computer maintenance	46	230
Contributed services	38	17
Human resources overhead	18	18
Occupancy costs	112	108
Other	64	61
Supplies	115	109
Training	6	10
	$ 578	$ 745
OPERATING		
Printing, postage and advertising	$ 27	$ 22
Professional fees	33	16
Telephone	30	29
Travel	49	53
	$ 139	$ 120

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2002	2001
Wes Shewchuk	Property Appraiser	$ 77	$ 56
Raeburn Csversko	Chief Operating Officer	69	65
Garfield Minkus	Property Appraiser	56	55
Scott Millar	Property Appraiser	55	54
Richard Staub	Property Appraiser	55	54
Normand Le Neal	Controller	53	51
Lawrence Mayer	Property Appraiser	51	-

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Financial Statements
For the year ended March 31, 2002

BDO Dunwoody LLP
Chartered Accountants
and Consultants

Pineland
Forest Nursery

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of the management of Pineland Forest Nursery and have been prepared in accordance with generally accepted accounting principles. In management's opinion the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data up to May 16, 2002.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Auditor is to express an independent opinion on whether the financial statements of Pineland Forest Nursery are fairly represented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

Ivan J. Balenovic
Chief Executive Officer

May 16, 2002

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Financial Statements
For the year ended March 31, 2002

Contents

Auditors' Report	**2**
Financial Statements	
Balance Sheet	**3**
Statement of Income	**4**
Statement of Retained Earnings	**5**
Statement of Cash Flows	**6**
Summary of Significant Accounting Policies	**7**
Notes to Financial Statements	**9**
Supplementary Information to the Financial Statements	
Schedule of Operating Expenses	**12**
Schedule of Public Sector Compensation Disclosure	**13**

BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants
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Winnipeg Manitoba Canada R3C 4L5
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Telefax: (204) 926-7201

Auditors' Report

To The Special Operating Agencies Financing Authority:

We have audited the balance sheet of **PINELAND FOREST NURSERY, AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY, PROVINCE OF MANITOBA** as at March 31, 2002 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Nursery's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Nursery as at March 31, 2002, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for the year ended March 31, 2001 were reported on by other auditors.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 16, 2002

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
Balance Sheet
(in thousands)

March 31	2002	2001
Assets		
Current Assets		
Accounts receivable (Note 1)	$ 470	$ 197
Short-term deposits	-	301
Unbilled revenue	54	194
Inventory	168	149
Prepaid expenses	42	32
	734	873
Receivable from the Province of Manitoba (Note 2)	187	187
Capital assets (Note 3)	2,747	2,854
	$ 3,668	$ 3,914
Liabilities and Equity		
Current Liabilities		
Working capital advances (Note 4)	$ 2,143	$ 2,057
Accounts payable and accrued liabilities	157	195
Pension liability (Note 5)	-	330
Current portion of long-term debt (Note 6)	43	39
	2,343	2,621
Long-term debt (Note 6)	98	141
Severance pay liability (Note 7)	121	109
	2,562	2,871
Contributed equity (Note 8)	356	356
Retained earnings (Page 5)	750	687
	1,106	1,043
	$ 3,668	$ 3,914

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
Statement of Income
(in thousands)

For the year ended March 31	2002	2001
Revenue		
Private Sector		
Overwinter	$ 1,018	$ 1,321
Current	384	559
Seed services	146	181
Tree improvement	3	43
Poplar program	5	6
Other	3	15
	1,559	2,125
Province of Manitoba		
Overwinter	1,195	964
Current	496	298
Bareroot	-	76
Seed services	12	14
Tree Improvement	-	14
Other	-	20
	1,703	1,386
Interest	-	17
	3,262	3,528
Expenses		
Salaries and benefits	1,558	1,668
Operating expenses (Page 12)	1,154	1,355
Amortization - capital assets	367	380
Interest - operating loan	104	153
Interest - capital loan	16	19
	3,199	3,575
Net earnings for the year (Page 5)	$ 63	$ (47)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
Statement of Retained Earnings
(in thousands)

For the year ended March 31	2002	2001
Retained earnings, beginning of year	$ 687	$ 734
Net earnings for the year (Page 4)	63	(47)
Retained earnings, end of year (Page 3)	$ 750	$ 687

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
Statement of Cash Flows
(in thousands)

For the year ended March 31	2002	2001
Cash Flows from Operating Activities		
Net earnings for the year	$ 63	$ (47)
Adjustment for		
Amortization - capital assets	367	380
	430	333
Changes in non-cash working capital		
Accounts receivable	(273)	(5)
Short-term deposits	301	(301)
Unbilled revenue	140	27
Inventory	(19)	8
Prepaid expenses	(10)	(1)
Receivable from the Province of Manitoba	-	62
Accounts payable and accrued liabilities	(38)	(20)
Pension liability	(330)	330
Severance pay liability	12	-
	(217)	100
	213	433
Cash Flows from Investing Activities		
Acquisition of capital assets	(260)	(213)
Change in short-term deposits	-	284
	(260)	71
Cash Flows from Financing Activities		
Change in pension benefits	-	(455)
Repayment of long-term debt	(39)	(69)
	(39)	(524)
Net decrease in cash and cash equivalents	(86)	(20)
Cash and cash equivalents, beginning of year	(2,057)	(2,037)
Cash and cash equivalents, end of year	$ (2,143)	$ (2,057)
Supplementary Information:		
Interest paid	$ 120	$ 172
Interest received	-	17

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
Summary of Significant Accounting Policies

March 31, 2002

Nature of Organization

In 1953, Pineland Provincial Forestry Nursery was established to meet all the nursery stock requirements of the province at one location. Prior to 1953 there were several small nurseries located throughout the province. Effective April 1, 1995, Pineland Forest Nursery was designated as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. c.S185) and operates under a charter approved by the Lieutenant Governor in Council.

A management agreement between the Financing Authority and the Minister of Conservation assigns responsibility to the Agency to manage and account for the agency related assets and operations on behalf of the Financing Authority. Pineland Forest Nursery continues to be part of the Manitoba Conservation under the general direction of the Assistant Deputy Minister of Conservation and ultimately the policy direction of the Deputy Minister and the Minister. Pineland Forest Nursery remains bound by relevant legislation of regulations. It is also bound by administrative policy, except where specific exemptions have been provided for in its charter in order to meet business objectives.

Pineland Forest Nursery is economically dependent on the Province of Manitoba, because it derives a significant portion of its revenue from the province and all of its financing requirements through the Financing Authority.

Basis of Reporting

The financial statements of the Agency have been prepared in accordance with Canadian generally accepted accounting principles.

Inventory

Supplies inventory is valued at the lower of cost and replacement cost.

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
Summary of Significant Accounting Policies

March 31, 2002

Capital Assets

Capital assets are recorded at cost and amortized on a declining balance basis at the following rates:

Greenhouses, coldframes, freezers, holding area, minor service buildings, major pump-house, major service buildings, propane conversion	10%
Equipment	20% - 30%

Amortization on current year additions is pro-rated based on the length of time in use in the current year.

Accrued Vacation Entitlement

The Nursery follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1995. The liability at this date is offset by a receivable from the Province and was $98 as at March 31, 1995. Any subsequent changes to the entitlement are reflected as a current year expense to the Nursery. As at March 31, 2002 there was a decrease to the entitlement in the amount of $4. The accrued vacation entitlement was $113 as of March 31, 2002 (2001 - $117) and is included in accounts payable and accrued liabilities.

Revenue Recognition

Revenues are recognized on a percentage of completion basis. Any excess of revenue recorded on a percentage of completion basis over amounts billed is recorded as unbilled revenue.

1. Accounts Receivable

	2002	2001
Trade receivables		
Province of Manitoba	$ 228	$ -
Other	284	197
	512	197
Allowance for doubtful accounts	(42)	-
	$ 470	$ 197

2. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency on April 1, 1995 and for severance pay benefits earned prior to April 1, 1998. This receivable, or portion thereof, for the Nursery, will be collected in the event there is a cash shortfall. However, this is only likely to happen on dissolution of the Nursery. The balance is comprised of:

	2002	2001
Vacation entitlements	$ 99	$ 99
Severance pay benefits	88	88
	$ 187	$ 187

3. Capital Assets

	2002		2001	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Buildings	$ 3,824	$ 1,665	$ 3,681	$ 1,435
Equipment	1,304	716	1,188	580
	$ 5,128	$ 2,381	$ 4,869	$ 2,015
Cost less accumulated amortization		$ 2,747		$ 2,854

4. Working Capital Advances

The Financing Authority has provided the Agency with an authorized line of working capital of $3,000 of which $2,143 was advanced at March 31, 2002 (2001 - $2,057).

5. Employee Pension Benefits

Employees of the Pineland Forest Nursery are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Pineland Forest Nursery transferred to the Province the pension liability for its employees, subject to the following conditions. During the 2002 fiscal year, in accordance with the terms of the agreement, the Pineland Forest Nursery transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001. Commencing April 1, 2001, the Pineland Forest Nursery is also required to pay to the Province an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, the Pineland Forest Nursery has discharged its pension obligations and has no outstanding liability.

6. Long-term Debt

	2002	2001
Loan payable	$ 141	$ 180
Current portion	(43)	(39)
	$ 98	$ 141

The Financing Authority assumed a loan payable to the Province of Manitoba on behalf of the Agency as specified in the Management Agreement. The loan payable was issued for $356 at an interest rate of 9% repayable by the Agency in annual installments of $55 principal and interest, maturing in 2005. Principal repayments over the next three years are as follows:

2003	$ 43
2004	47
2005	51

7. Severance Pay Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $88 was completely offset by a receivable from the Province.

The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $121 as at March 31, 2002 (2001 - $109.

8. Contributed Equity

The Special Operating Agencies Financing Authority and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from the Province to the Financing Authority of inventory and capital assets valued at $712 required for the continuing operations of Pineland Forest Nursery as at March 31, 1995. The Agency is responsible to repay the Special Operating Agencies Financing Authority the debt portion, in the amount of $356 (being half of the value of the assets) and to record the remainder as the Province's equity in the Financing Authority as related to the Agency's operations.

9. Comparative Figures

Certain of the comparative figures for the year ended March 31, 2001 have been restated to provide better comparison to the current year's presentation. The net earnings for the year remain as previously reported.

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
Schedule of Operating Expenses
(in thousands)

For the year ended March 31	2002	2001
Supplies	$ 342	$ 423
Natural gas and hydro	323	368
Repairs and maintenance	144	232
Property taxes and insurance	79	73
Miscellaneous	-	3
Office	87	96
Departmental services and professional fees	36	41
Freight	54	53
Marketing	8	18
Travel	39	48
Bad debts	42	-
	$ 1,154	$ 1,355

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
Schedule of Public Sector Compensation Disclosure
(in thousands)

For the year ended March 31		2002	2001
Employee	**Title**	**Compensation**	
Ivan Balenovic	Chief Executive Officer	**$ 77**	$ 75

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum.

COMPANIES OFFICE

FINANCIAL STATEMENTS

MARCH 31, 2002

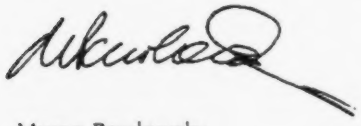
REPONSIBILITY FOR FINANCIAL REPORTING

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Magnus & Buffie, independent external auditors.

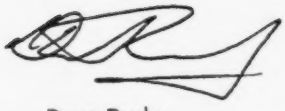
The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On Behalf of Management:



Myron Pawlowsky
Chief Operating Officer



Dave Rudy
Controller

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2002

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Earnings and Retained Earnings	3
Statement of Cash Flow	4
Notes to Financial Statements	5 - 7
Schedule of Operating Expenses	8
Schedule of Public Sector Compensation Disclosure	9

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Companies Office, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2002 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 15, 2002

CHARTERED ACCOUNTANTS

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2002

	2002	2001
ASSETS		
CURRENT ASSETS		
Cash and Short Term Deposits	$ 1,502	$ 1,851
Accounts Receivable (Note 4)	108	163
Prepaids	16	16
	1,626	2,030
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 5 and 8)	218	218
CAPITAL ASSETS (Note 6)	59	27
	$ 1,903	$ 2,275
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued	$ 59	$ 62
Accounts Payable - Province of Manitoba (Note 7)	-	297
Accrued Vacation Entitlements	140	132
	199	491
SEVERANCE PAY LIABILITY (Note 8)	195	177
	394	668
EQUITY		
RETAINED EARNINGS	1,509	1,607
	$ 1,903	$ 2,275

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS
(in thousands)

FOR THE YEAR ENDED MARCH 31, 2002	2002	2001
REVENUE		
Fees and Services	$ 4,126	$ 3,913
Less: Gazette Advertising	(267)	(266)
	3,859	3,647
Interest	50	115
	3,909	3,762
EXPENSES		
Salaries and Employee Benefits	1,325	1,247
Operating Expenses (Page 8)	710	647
Amortization - Capital Assets	12	7
	2,047	1,901
NET EARNINGS FOR THE YEAR	1,862	1,861
RETAINED EARNINGS, Beginning of Year	1,607	2,246
	3,469	4,107
REVENUE SHARE TO PROVINCE OF MANITOBA	1,960	2,500
RETAINED EARNINGS, End of Year	$ 1,509	$ 1,607

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net Earnings for the Year	$ 1,862	$ 1,861
Adjustments for		
Amortization - Capital Assets	12	7
Severance Pay Expense	18	17
	1,892	1,885
Changes in Non-Cash Working Capital Balances		
Accounts Receivable	55	(61)
Prepaid Expenses	-	(2)
Accounts Payable and Accrued	(300)	271
Accrued Vacation Entitlements	8	9
	1,655	2,102
FINANCING ACTIVITIES		
Change in Accrued Pension Liability (Note 7)	-	(284)
Revenue Share to Province of Manitoba	(1,960)	(2,500)
	(1,960)	(2,784)
INVESTING ACTIVITIES		
Capital Asset Additions	(44)	(16)
Change in Deferred Contribution - Province of Manitoba	-	44
	(44)	28
CHANGE IN CASH AND SHORT TERM DEPOSITS	(349)	(654)
CASH AND SHORT TERM DEPOSITS, Beginning of Year	1,851	2,505
CASH AND SHORT TERM DEPOSITS, End of Year	$ 1,502	$ 1,851

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

1. NATURE OF ORGANIZATION

Effective April 1, 1996, the Lieutenant Governor in Council designated the Companies Office as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council. Another Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency, to enter into a management agreement with respect to the Agency. The management agreement assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA. SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

The Companies Office continues to be part of Manitoba Consumer and Corporate Affairs under the general direction of the Minister, Consumer and Corporate Affairs, and the Deputy Minister who is also Chairperson of the Companies Office Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets: Capital assets are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Office Equipment	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)

3. FINANCING ARRANGEMENTS

Working capital advances and long-term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $100 limit in working capital advances. The Agency did not access working capital advances during the year.

4. ACCOUNTS RECEIVABLE

	2002	2001
Trade	$ 18	$ 91
Accrued Revenue	90	72
	$ 108	$ 163

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

5. RECEIVABLE FROM PROVINCE OF MANITOBA (Note 8)

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2002	2001
Vacation Entitlements	$ 92	$ 92
Severance Pay Benefits	126	126
	$ 218	$ 218

The timing of the collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2002	Net Book Value 2001
Computer Equipment and Software	$ 34	$ 24	$ 10	$ 8
Office Equipment	11	6	5	5
Furniture and Fixtures	51	7	44	14
	$ 96	$ 37	$ 59	$ 27

7. ACCRUED PENSION LIABILITY

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees, subject to the following conditions:

- During the 2002 fiscal year, in accordance with the terms of the agreement, the Agency transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001.
- Commencing April 1, 2001, the Agency is also required to pay to the Province an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, the Agency has discharged its pension obligations and has no outstanding liability.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2002

8. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $170 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in prior years. The liability as at March 31, 2001 was estimated at $177 and the receivable from the Province was estimated at $126 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2001. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $195 as at March 31, 2002.

9. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2003 are estimated to be $118 (2002 - $112).

The Agency is also leasing computers from the Province of Manitoba under the Desktop Program. The leases expire in December 2003, with future estimated lease payments as follows:

Year	Amount
2003	$ 96
2004	72
	$ 168

10. SUBSEQUENT EVENTS

The Province is implementing a Better Systems Initiative (BSI) to facilitate single window access by businesses and the general public to government registry services and data bases. A number of modules for the BSI will be implemented in the Agency.

The government has determined that the amortization costs, as well as the interest carrying costs related to the capital assets under the BSI, will be recovered from the Agency beginning in the 2002/2003 fiscal year. This will affect the expenditures of the Agency.

The projected capital related costs are estimated at $1,358 in 2002/2003.

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Accounting	$ 14	$ 7
Audit	4	4
Bad Debts	3	2
Bank Charges	6	5
Communications	27	27
Computer	73	86
Conversion/Implementation	58	-
Department Services	24	8
Desktop	91	72
Equipment Maintenance and Rentals	7	13
Insurance	8	11
Legal Services	7	8
Miscellaneous	7	8
NUANS	143	164
Office Rent	118	112
Payroll Processing	1	4
Postal and Courier	41	41
POS Licence Fees	3	-
Programmers	30	24
Stationery	43	42
Transportation	2	9
	$ 710	$ 647

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2002

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2002	2001
Myron Pawlowsky	Chief Operating Officer	$ 77	$ 76
Joan Alty	Deputy Director - Legal	61	60
Shane Lasker	Acting Deputy Director - Legal	60	57
Dave Rudy	Controller	53	51

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Financial Statements
March 31, 2002

Manitoba

Education, Training and Youth

Manitoba Text Book Bureau

130-1st Avenue West
P.O. Box 910
Souris, MB R0K 2C0
CANADA

TEL. (204) 483-4040
FAX (204) 483-3441
1-800-305-5515 (MB only)

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding necessary estimates and all other data available.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Bureau are properly safeguarded. Staff at the Auditor General's Office review internal controls and reports their findings to management.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

Lanny Kingerski
Chief Operating Officer

Denis Labossiere, C.G.A.
Controller

Souris, Manitoba
May 17, 2002

Contents

	Page
Auditors' Report	1
Balance Sheet	2
Statements of Income and Retained Earnings	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-8

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba

We have audited the balance sheet of The Manitoba Text Book Bureau, An Agency of the Special Operating Agencies Financing Authority as at March 31, 2002 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Bureau as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 17, 2002

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet

(in thousands)

March 31	2002	2001
Assets		
Current		
Cash and cash equivalents	$ 12	$ 21
Short-term investments	0	121
Accounts receivable	392	603
Inventory	2,289	3,087
Prepaid expenses	53	14
	2,746	3,846
Receivable from Province of Manitoba (Note 8)	64	64
Capital assets (Note 3)	109	116
	$ 2,919	$ 4,026
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 617	$ 883
Accounts payable to Province of Manitoba (Note 7)	0	114
Customer deposit accounts	265	206
Working capital advance (Note 10)	1,332	2,151
	2,214	3,354
Accrued severance liability (Note 8)	44	40
	2,258	3,394
Equity		
Contributed equity (Note 4)	550	550
Retained earnings	111	82
	661	632
	$ 2,919	$ 4,026

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statements of Income and Retained Earnings

(in thousands)

Year Ended March 31	2002	2001
Sales	$ 8,365	$ 8,214
Cost of goods sold:		
Inventory, beginning of year	3,087	1,834
Purchases	6,333	8,215
Transportation in	36	43
	9,456	10,092
Inventory, end of year	2,289	3,087
Cost of goods sold	7,167	7,005
Gross profit	1,198	1,209
General and administrative expenses		
Amortization	36	34
Audit	7	6
Bad Debts	4	0
Computer expense	63	66
Employee benefits	67	77
Interest	83	128
Marketing	23	21
Office	36	37
Office occupancy	56	59
Postage	5	6
Salaries	380	367
Telephone	11	15
Training	1	3
Transportation out	97	96
Travel	22	18
Warehouse occupancy	110	110
Warehouse service	168	170
	1,169	1,213
Net income (loss)	$ 29	$ (4)
Retained earnings, beginning of year	$ 82	$ 86
Net income (loss)	29	(4)
Retained earnings, end of year	$ 111	$ 82

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(in thousands)

Year Ended March 31	2002	2001
Increase (decrease) in cash and cash equivalents		
Operating		
Net income (loss) for the year	$ 29	$ (4)
Amortization	36	34
	65	30
Changes in		
Short-term investments	121	(51)
Accounts receivable	211	10
Inventory	798	(1,253)
Prepaid expenses	(39)	(2)
Accounts payable and accrued liabilities	(266)	242
Accounts payable to Province of Manitoba	(114)	114
Customer deposit accounts	59	(58)
	835	(968)
Investing		
Acquisition of capital assets	(29)	(17)
Financing		
Deferred contributions - Province of Manitoba		15
Accrued pension liability		(96)
Accrued severance liability	4	(6)
Changes in working capital advance	(819)	917
	(815)	830
Net increase (decrease) in cash and cash equivalents	(9)	(155)
Cash and cash equivalents, beginning of year	21	176
Cash and cash equivalents, end of year	$ 12	$ 21

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(in thousands)
For the year ended March 31, 2002

1. Nature of operations

In 1931, the Manitoba Text Book Bureau (MTBB) was created as a branch of the Department of Education and Training. It was established to achieve economies of scale and reduce the cost of learning resources for schools in Manitoba.

Effective April 1, 1996, the MTBB was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S 185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The MTBB is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the MTBB through working capital advances. This financial framework enables the MTBB to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Special Operating Agencies Financing Authority and the Minister of Education and Training assigns responsibility to the MTBB to manage and account for the MTBB related assets and operations on behalf of SOAFA.

The MTBB continues to be part of the Department of Education and Training under the general direction of the Assistant Deputy Minister, School Programs Division, and ultimately the policy direction of the Deputy Minister and Minister.

The MTBB remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

2. Significant accounting policies

Basis of reporting

The financial statements of the MTBB are presented in accordance with Canadian Generally Accepted Accounting Principles.

Accounting estimates and assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Significant accounting policies - continued

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued using the average unit cost method.

Capital assets

Capital assets are recorded at cost in the year of acquisition. Rates and basis of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Office equipment, furniture and video recording equipment	20% declining balance
Computer software and equipment	20% straight line

3. Capital assets

	2002			2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer software & equipment	$ 194	$ 113	$ 81	$ 86
Office equipment & furniture	22	14	8	6
Video recording equipment	63	43	20	24
	$ 279	$ 170	$ 109	$ 116

4. Contributed equity

SOAFA and the Government of Manitoba entered into a Transfer Agreement in connection with the transfer from Manitoba to SOAFA of assets valued at $5,240 and liabilities of $4,690 required for the continuing operations of the MTBB as at March 31, 1996. The Manitoba Text Book Bureau recorded the balance of $550 (being the value of the net assets) as Manitoba's Contributed Equity in SOAFA as related to the Bureau's operations.

5. Contractual obligations

The MTBB has contracted with Materials Distribution Agency (MDA) for the provision of warehousing and distribution services for a period of three years, from April 1, 2002 to March 31, 2005. The total cost for the contract is $815, of which $564 is a labour, packaging and supplies component, and $251 is an occupancy component.

6. Related party transactions

The MTBB is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The MTBB enters into transactions with these entities in the normal course of business.

7. Employee pension Obligation

Employees of the MTBB are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the MTBB transferred to the Province the pension liability for its employees, subject to the following conditions.

During the 2002 fiscal year, in accordance with the terms of the agreement, the MTBB transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001. Commencing April 1, 2001, the MTBB is also required to pay to the Province an amount equal to the employees' current pension contributions.

Hence, as at March 31, 2002, the MTBB has discharged its pension obligations and has no outstanding liability.

8. Severance Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability as at April 1, 1998 calculated at $63 was completely offset by a receivable from the Province.

8. Severance Liability - continued

The receivable from the Province, or portion thereof, for the MTBB, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the MTBB.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in 2001. The liability as at March 31, 2000 was restated to $46 and the receivable from the Province was restated to $64 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $44 as at March 31, 2002.

9. Public sector compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2002, the following employees received compensation in excess of $50.

Name	Position	2002	2001
Lanny Kingerski	Chief Operating Officer	$67	$62
Denis Labossiere	Controller	$51	

10. Working capital

The MTBB has an authorized line of working capital advances of $4,000, of which $1,332 was used as of March 31, 2002 (2001 - $2,151).

MAIL MANAGEMENT AGENCY

Financial Statements
(in Thousands)

Year Ended March 31, 2002

MMA
MAIL MANAGEMENT AGENCY

200 Vaughan Street, Winnipeg MB R3C 1T5

Mail Management Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by The Exchange Chartered Accountants, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, and to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Don Katz
Chief Operating Officer

May 22, 2002

MAIL MANAGEMENT AGENCY

Index to Financial Statements

Year Ended March 31, 2002

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Loss and Retained Earnings	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 8

THE EXCHANGE

chartered accountants

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Mail Management Agency , an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2002 and the statements of loss and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants

Winnipeg, Manitoba
May 22, 2002

100-123 Bannatyne Ave., Winnipeg, Manitoba R3B 0R3
Telephone: (204) 943-4584 Fax: (204) 957-5195
E-mail: info@exg.ca Website: www.exg.ca

MAIL MANAGEMENT AGENCY

Balance Sheet
(In Thousands)

March 31, 2002

	2002	2001
ASSETS		
CURRENT		
Accounts receivable	$ 617	$ 767
Prepaid expenses	139	43
	756	810
DUE FROM PROVINCE *(Note 6)*	125	126
INVESTMENT PENSION	-	204
FIXED ASSETS *(Note 2, 3)*	157	121
OTHER ASSETS *(Note 2, 4)*	24	36
	$ 1,062	$ 1,297
LIABILITIES		
CURRENT		
Working capital payable *(Note 5)*	$ 270	$ 234
Accounts payable	340	419
Current portion of long term debt *(Note 10)*	6	1
Deferred revenue	-	2
	616	656
SEVERANCE LIABILITY *(Note 8)*	84	75
LONG TERM DEBT *(Note 10)*	21	27
	721	758
EQUITY		
Contributed surplus *(Note 12)*	51	51
Retained earnings	290	488
	341	539
	$ 1,062	$ 1,297

MAIL MANAGEMENT AGENCY

Statement of Loss and Retained Earnings
(In Thousands)

Year Ended March 31, 2002

	2002	2001
REVENUE		
Mail processing	$ 5,295	$ 4,938
Mail finishing	392	401
Inter department mail	390	679
Printing	41	25
Contract administration	42	42
	6,160	6,085
EXPENSES		
Amortization	61	57
Communications	11	12
Courier	146	144
Employee benefits	146	81
Equipment rental and maintenance	64	38
Interest	8	34
Leases	80	67
Loss on disposal of fixed assets	-	1
Network	31	27
Miscellaneous operating	32	52
Office	25	22
Occupancy	121	103
Postage	4,775	4,500
Professional fees	13	140
Salaries	824	744
Sub-contracts	21	-
	6,358	6,022
NET INCOME (LOSS)	(198)	63
RETAINED EARNINGS - BEGINNING OF YEAR	488	425
RETAINED EARNINGS - END OF YEAR	$ 290	$ 488

MAIL MANAGEMENT AGENCY

Statement of Cash Flows
(In Thousands)

Year Ended March 31, 2002

	2002	2001
OPERATING ACTIVITIES		
Net income (loss)	$ (198)	$ 63
Item not affecting cash:		
Amortization	61	57
	(137)	120
Changes in non-cash working capital:		
Accounts receivable	150	(68)
Due from Province	1	56
Accounts payable	(81)	139
Deferred income	(2)	-
Prepaid expenses	(96)	(5)
Pension trust	-	48
Severance liability	9	(24)
Pension liability	-	(163)
	(19)	(17)
Cash flow from (used by) operating activities	(156)	103
INVESTING ACTIVITIES		
Additions to fixed assets	(85)	(49)
(Increase) Decrease in long-term investments	-	115
Cash flow from (used by) investing activities	(85)	66
FINANCING ACTIVITIES		
Long term debt	1	28
Cash flow from financing activities	1	28
INCREASE (DECREASE) IN CASH FLOW	(240)	197
DEFICIENCY - Beginning of year	(30)	(227)
DEFICIENCY - End of year	$ (270)	$ (30)

MAIL MANAGEMENT AGENCY

Notes to Financial Statements
(In Thousands)

Year Ended March 31, 2002

1. DESCRIPTION OF OPERATIONS

In 1956, Mail Management (Postal Service) was created as a branch of the Manitoba Provincial Government to provide centralized postal management.

Effective April 1, 1996, the Postal Service was renamed Mail Management Agency (MMA) and designated as a Special Operating Agency (SOA) pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

MMA is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from MMA operations. It finances MMA through repayable loans and working capital advances. The financial framework enables the Agency to operate in a business-like manner according to the public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Government Services assigns responsibility to MMA to manage and account for MMA related assets and operations on behalf of the Financing Authority.

MMA continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

MMA remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Financing Authority is economically dependent on the Province of Manitoba. Currently, the Financing Authority derives most of its revenue and all of its capital financing requirements from the Province.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Fixed Assets

Fixed assets are recorded at cost and are amortized annually at the following rates and bases:

Production equipment	20%	declining balance method
Computer equipment	20%	straight-line method

Other Assets

Other assets are recorded at cost and are amortized at the following rate on a straight-line basis:

Computer conversion	-	over 5 years

3. FIXED ASSETS

	Cost	Accumulated amortization	2002 Net book value	2001 Net book value
Production equipment	$ 327	$ 174	$ 153	$ 119
Computer equipment	7	3	4	2
	$ 334	$ 177	$ 157	$ 121

4. OTHER ASSETS

	Cost	Accumulated Depreciation	2002 Net Book Value	2001 Net Book Value
Computer Conversion	$ 60	$ 36	$ 24	$ 36

5. WORKING CAPITAL PAYABLE

MMA has an authorized line of working capital advances of $1,500 of which $270 was used as at March 31, 2002.

6. DUE FROM PROVINCE

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of Mail Management Agency prior to their designation as SOAs. It also includes severance pay benefits earned by SOA employees to March 31, 1998. The balance is comprised of:

	2002	2001
Vacation entitlements	$ 60	$ 60
Severance pay benefits	64	64
Other	1	2
	$ 125	$ 126

The timing of the collection of these receivables will vary for each SOA. The receivable, or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

7. PENSION LIABILITY

Employees of Mail Management Agency are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, Mail Management Agency transferred to the Province the pension liability for its employees subject to the following conditions:

During the 2002 fiscal year, in accordance with the terms of the agreement, Mail Management Agency transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001. Commencing April 1, 2001, Mail Management Agency is also required to pay the Province an amount equal to its employees current pension contributions.

Hence, as at March 31, 2002, Mail Management Agency has discharged its pension obligations and has no outstanding liability.

8. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance at April 1, 1998 of $89 was completely offset by a receivable from the Province.

An actuarial report of the Agency's severance as at March 31, 2000 was restated to $75 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $84 as at March 31, 2002.

9. THE PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding $50 annually to any officer or employee of the Province of Manitoba. The following employees received compensation in excess of $50:

Name	Position	2002	2001
Don Katz	Chief Operating Officer	$ 61	$ 62
Greg Bowers	Marketing/Systems	51	50
		$ 112	$ 112

10. LONG TERM DEBT

	2002	2001
Pitney Bowes loan bearing interest at 2.37 % per annum, repayable in quarterly instalments of $2 blended principal and interest. The loan matures on January 31, 2006 and is secured by high speed mailing machine.	$ 27	$ 28
Amounts payable within one year	(6)	(1)
	$ 21	$ 27

Principal repayment terms are approximately:

2003	$ 6
2004	6
2005	6
2006	9
	$ 27

11. COMMITMENT

The Agency has not entered into lease agreements with the Province of Manitoba for the five locations that it operates (200 Vaughan Street, Winnipeg; 405 Broadway, Winnipeg; 450 Broadway, Winnipeg; 340 - 9th Street, Brandon; and 25 Tupper Street, Portage la Prairie). Occupancy charges for the year ended March 31, 2002 are estimated at $120, whereas charges for the year ended March 31, 2001 were $103.

12. CONTRIBUTED EQUITY

SOAFA and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of fixed assets valued at $102 required for continuing operations of the Mail Management Agency as at March 31, 1996. The Agency is responsible to repay Special Operating Agencies Financing Authority the debt portion in the amount of $51 (being one-half of the value of the assets) and to record the balance of $51(being one-half of the value of the assets) as Manitoba's equity in the Financing Authority as related to the Agency's operations. The debt portion has been repaid.

13. FINANCIAL INSTRUMENTS

The company's financial instruments consist of cash, accounts receivable, investment, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

INDUSTRIAL TECHNOLOGY CENTRE

FINANCIAL STATEMENTS

MARCH 31, 2002

Industrial Technology Centre

A Special Operating Agency of Manitoba Industry, Trade and Mines

Unit 12 - 1329 Niakwa Road East
Winnipeg MB R2J 3T4 Canada

Phone: (204) 945-6000
Fax: (204) 945-1784

1-800-728-7933
www.itc.mb.ca

May 23, 2002

For the year ended March 31, 2002

The accompanying financial statements of the Industrial Technology Centre are the responsibility of management and have been prepared by ITC in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 23, 2002.

Management maintains internal controls designed to indicate responsibility, provide reasonable assurance of the reliability and accuracy of the financial statements, and properly safeguard ITC's assets.

The responsibility of the external audit is to express an independent, professional opinion lending assurance and objectivity as to whether the financial statements of ITC are fairly presented in accordance with generally accepted accounting principles. The auditors' report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

T. J. Cornell

Trevor Cornell
Chief Operating Officer

David Olafson
Manager, Corporate Services

BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone: (204) 956-7200
Telefax: (204) 926-7201

Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Industrial Technology Centre** as at March 31, 2002 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 23, 2002

INDUSTRIAL TECHNOLOGY CENTRE
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet
As at March 31, 2002

(In Thousands)	2002	2001
Assets		
Current		
Cash and funds on deposit with Minister of Finance net of working capital advance (Note 3)	$ 558	$ 869
Accounts receivable	397	1,063
Prepaid expenses	26	20
	981	1,952
Due from Province of Manitoba (Note 5)	103	103
Capital assets (Notes 2 and 4)	848	418
	$ 1,932	$ 2,473
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 519	$ 1,111
Severance liability (Note 5)	149	138
	668	1,249
Equity		
Contributed Equity (Note 6)	62	62
Retained Earnings	1,202	1,162
	1,264	1,224
	$ 1,932	$ 2,473

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Statement of Earnings and Retained Earnings

For the year ended March 31, 2002

(In Thousands)	2002	2001
Revenue		
Province of Manitoba	$ 750	$ 765
Fee for service	2,009	2,255
Other	36	65
	2,795	3,085
Operating expenses		
Advertising and promotion	129	73
Amortization	120	111
Audit and legal	10	15
Bad debts	3	1
Building maintenance	44	50
Computer	27	73
Equipment	48	28
Fees and memberships	20	45
Heat and utilities	33	33
Insurance	46	25
Laboratory supplies	37	63
Library operations	36	23
Loss on disposal	6	-
Office	63	71
Professional development	73	80
Purchased services	35	45
Rent and property tax	87	111
Salaries and benefits	1,876	1,911
Travel	62	87
	2,755	2,845
Net earnings	40	240
Retained earnings at beginning of period	1,162	922
Retained earnings at end of period	$ 1,202	$ 1,162

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flow
For the year ended March 31, 2002

(In Thousands)	2002	2001
Cash derived from (applied to):		
Operating activities		
Net earnings	$ 40	$ 240
Items not involving cash		
Amortization	120	111
Loss on disposal	6	-
	166	351
Changes in non-cash working capital balances		
Accounts receivable	666	(881)
Prepaid expenses	(6)	2
Accounts payable and accrued liabilities	(533)	780
Severance liability	11	9
	304	261
Investing activities		
Acquisition of capital assets	(615)	(63)
Net increase (decrease) in cash and cash equivalents	(311)	198
Cash and cash equivalents at beginning of period	869	671
Cash and cash equivalents at end of period	$ 558	$ 869
Represented by:		
Cash and bank	$ 34	$ 100
Funds on deposit with the Minister of Finance	524	769
	$ 558	$ 869
Interest revenue included in cash flow from operating activities	$ 26	$ 37

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
For the year ended March 31, 2002
(In Thousands)

1. Nature of Organization

The Industrial Technology Centre (ITC) was established in 1979 under "Enterprise Manitoba", a joint Federal/Provincial cost-shared funding agreement. ITC was managed by the Manitoba Research Council until September 1992 when responsibility for ITC was transferred to the Economic Innovation & Technology Council (EITC). ITC was created as a technical resource for Manitoba industry and government and continues to provide a wide range of technical services to both the private and public sectors. ITC also partners with the National Research Council for delivery of the "Industrial Research Assistance Program" in Manitoba.

Effective April 1, 1996, ITC was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council. ITC operates as part of Manitoba Industry, Trade and Mines under the general direction of the Deputy Minister.

ITC is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations and has access to a working capital loan. The financial framework allows the Agency to operate in a business-like manner, which is facilitated by SOA status.

A Management Agreement between SOAFA and the Minister of Industry, Trade and Mines assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

An Economic Development Contribution Agreement between ITC and Manitoba Industry, Trade and Mines defines expected public policy benefits generated from ITC's operations.

ITC has full delegated authority for all administrative, financial and operational matters. This delegation is subject to any limitations, restrictions, conditions and requirements imposed by legislation or by the Minister.

2. Significant Accounting Policies

Basis of reporting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost. Amortization, intended to write off the assets over their estimated useful lives, is recorded at the following annual rates and methods:

Furniture and fixtures	20%, declining balance
Office and laboratory equipment	20%, declining balance
Computer equipment and software	20%, straight-line
Leasehold improvements	20%, straight-line

3. Working Capital Advance

The Agency has an authorized line of working capital advances up to a maximum of $300. As at March 31, 2002 working capital advances were nil (2001 – nil). The line bears interest at the prime rate and is not secured by specific assets.

4. Capital Assets

	2002		2001	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Furniture and fixtures	$ 4	$ 2	$ 4	$ 1
Office and laboratory equipment	768	268	490	194
Computer equipment and software	451	135	299	180
Leasehold improvements	32	2	-	-
	$ 1,255	**$ 407**	**$ 793**	**$ 375**
Net book value	**$ 848**		**$ 418**	

5. Severance Pay Benefits

Effective April 1, 1998, ITC began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by ITC's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $103 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Industrial Technology Centre, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Industrial Technology Centre.

An actuarial valuation report of ITC's severance as at March 31, 2000 has been completed. The report provides a formula to update the liability on an annual basis. ITC's liability has been calculated in accordance with this formula.

6. Contributed Equity

A Transfer Agreement between the Special Operating Agencies Financing Authority (SOAFA) and Manitoba effected a transfer of capital assets, current assets and current liabilities from Manitoba to SOAFA as at March 31, 1996. Net assets in the amount of $124 were transferred to continue the operations of ITC. ITC has repaid SOAFA the debt portion of $62 (50% of the value of the net assets) and recorded the remaining $62 (50% of the value of the net assets) as Manitoba's equity in SOAFA as related to the Agency's operations.

7. Commitment

The Agency has entered into a lease agreement for rental of the facilities at 1329 Niakwa Road East, Winnipeg, Manitoba. The lease, expiring on March 31, 2005, requires future lease payments as follows:

2003	$ 84
2004	$ 91
2005	$ 91

This lease agreement may be terminated on March 31, 2003 or March 31, 2004, at ITC's option.

8. Pension Liability

In accordance with the provisions of The Civil Service Superannuation Act, employees of ITC are required to contribute to the Civil Service Superannuation Fund at prescribed rates for defined benefits. ITC matches the employees' contributions to the Fund. Under this Act, ITC has no further pension liability.

9. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

10. Public Sector Compensation

Pursuant to The Public Sector Compensation Disclosure Act, the following employees of ITC have received compensation of $50 or more, including benefits and severance payments, in the year ended March 31, 2002:

		2002	2001
Begin, J.	Engineer 5	$ n/a	$ 70
Boskwick, W.	Eco. Dev. Consultant 3	74	62
Cattani, J.	Eco. Dev. Consultant 3	63	59
Cornell, T.	Executive Officer 1	98*	88
de Graaf, P.	Eco. Dev. Consultant 3	63	62
Deley, D.	Eco. Dev. Consultant 4	n/a	63
Herwig, W.	Eco. Dev. Consultant 4	72	70
Kellington, D.	Scientist 2	50	n/a
Mitchell, T.	Eco. Dev. Consultant 4	66	n/a
Olafson, D.	Financial Officer 6	62	59
Persad, K.	Eco. Dev. Consultant 3	n/a	62
Pizey, G.	Engineer 4	65	62
Pozzobon, G.	Engineer 3	59	56
Russell, D.	Tech. Eng. Off. 2	58	n/a
St. Jean, D.	Eco. Dev. Consultant 4	69	58
Sullivan, V.	Eco. Dev. Consultant 4	n/a	63

* Includes a retroactive salary increase

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2002

Manitoba

The Public Trustee

13th Floor Woodsworth Building
405 Broadway
Winnipeg MB R3C 3L6
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 21, 2002. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M. Anne Bolton, Q.C.
Public Trustee

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority - Province of Manitoba, as at March 31, 2002 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Winnipeg, Manitoba
June 21, 2002

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2002

ASSETS

	2002	2001
Current		
Cash	$ 86	$ 18
Accounts receivable, net (Note 3)	683	660
Prepaid expenses	4	4
Short-term investments with Minister of Finance	875	1,706
	1,648	2,388
Receivable from Province of Manitoba (Note 4)	515	515
Capital Assets (Note 5)	101	112
	$ 2,264	$ 3,015

LIABILITIES

Current		
Accounts payable and accruals (Note 6)	$ 477	$ 448
Accounts payable to Province of Manitoba (Note 10)	0	783
	477	1,231
Severance pay benefits (Note 18)	414	369

EQUITY

Revenue stabilization reserve (Note 15)	500	500
Retained earnings	873	915
	$ 2,264	$ 3,015

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2002

	2002	2001
Revenue		
Fees (Note 8)	$ 4,510	$ 4,323
Interest	37	100
Other	118	88
	4,665	4,511
Expenses		
Amortization of capital assets	42	41
Accommodation costs - Department of Government Services	218	221
Other administration expenses (Note 9)	692	661
Salaries and benefits	3,564	3,412
Employer pension costs	191	130
	4,707	4,465
Net Income (Loss)	(42)	46
Retained earnings, beginning of year	915	869
Retained earnings, end of year	$ 873	$ 915

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2002

	2002	2001
Cash derived from (applied to)		
Operating (Note 16)		
Net income (Loss)	$ (42)	$ 46
Items not involving cash		
Amortization of capital assets	42	41
	0	87
Change in		
Receivables	(23)	84
Prepaid expenses	0	3
Payables	(754)	817
	(777)	991
Investing		
Acquisition of capital assets	(31)	(85)
Financing		
Severance pay benefits	45	21
Pension liability	0	(777)
	45	(756)
Net increase (decrease) in cash	(763)	150
Cash and short term investments		
Beginning of year	1,724	1,574
End of year	$ 961	$ 1,724

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, the Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances the Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists the Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Public Trustee to manage and account for Public Trustee related assets and operations on behalf of the Financing Authority.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity the Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

b) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of The Public Trustee Act. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually as follows:

Furnishings and equipment	-	20%, diminishing balance basis
Computer hardware and software	-	20%, straight-line basis, 10% in year of acquisition, software purchases less than $1 are expensed in year of acquisition
Leasehold improvements	-	20%, straight-line basis

3. Accounts receivable

The accounts receivable at March 31 are as follows:	2002	2001
Fees receivable	$ 698	$ 662
Allowance for doubtful accounts	(28)	(27)
	670	635
Interest receivable	2	3
Advances to client accounts	5	6
Cost recoveries	6	16
	$ 683	$ 660

4. Receivable from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency in the amount of $219 and for severance entitlements earned by employees to March 31, 1998 in the amount of $296. This receivable, or portion thereof, for the Public Trustee, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Public Trustee.

5. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2002	Net Book Value 2001
Furnishings & equipment	$ 144	$ 59	$ 85	$ 76
Computer hardware & software	68	56	12	24
Leasehold improvements	45	41	4	12
	$ 257	$ 156	$ 101	$ 112

6. Accounts payable and accruals

The accounts payable and accruals are as follows:

	2002	2001
Operating expenses payable	$ 68	$ 52
Salaries & benefits payable	75	69
Vacation entitlements accrual	307	299
GST payable to Revenue Canada	27	28
	$ 477	$ 448

7. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2002.

8. Fees revenue

The Public Trustee charges fees for services as follows:

	2002	2001
Administration	$ 3,809	$ 3,654
Legal	350	396
Income tax	278	204
Inspection	73	69
	$ 4,510	$ 4,323

9. Administration expenses

The administration expenses of the Agency are as follows:

	2002	2001
Computer expenses	$ 354	$ 336
Courier charges	4	3
Desktop costs	3	3
Insurance, loss, damage	16	14
Office supplies	42	42
Other	5	13
Personnel	31	26
Photocopy	16	9
Postage	34	40
Professional fees	25	23
Publications	8	6
Public communications	3	6
Rentals, equipment	3	2
Repairs & maintenance	10	10
SAP costs	7	7
Support services - Department of Justice	22	26
Telephone	61	56
Travel	48	39
	$ 692	$ 661

10. Pension liability

Employees of the Public Trustee are eligible for pension benefits in accordance with the provisions of The Civil Service Superannnuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2002, pursuant to an agreement with the Province of Manitoba, the Public Trustee transferred to the Province the pension liability for its employees, subject to the following conditions.

During the 2002 fiscal year, in accordance with the terms of the agreement, the Public Trustee transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001.
Commencing April 1, 2001, the Public Trustee is also required to pay to the Province an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, the Public Trustee has discharged its pension obligations and has no outstanding liability.

11. Commitments

The Public Trustee has an arrangement with the Province of Manitoba for rental of its facilities in the Woodsworth Building in Winnipeg and its facility in the Provincial Building in Brandon. The Agency operates under an agreement for desktop computing. It is estimated that desktop computing costs will be $164 annually to 2002/2003.

12. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

13. Escheats to the Crown

Escheats to the Crown, received by the Public Trustee during the year and remitted to the Minister of Finance, amounted to $ 122 (2001 - $51). These amounts are not reflected in these financial statements.

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

14. Estates and trusts under administration

The client assets under administration at March 31, 2002 total approximately $163,000 (2001 - $159,000). The trust activities of the Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

15. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

16. Cash flow statement – interest received

	2002	2001
Interest received	$ 37	$ 100

17. Public Sector Compensation Disclosure Act

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2002, the following employees received compensation in excess of $50:

Employee	Position	Amount
Bolton, M. Anne Q.C,	Senior Legal Officer	$ 96
Cuddy, Rose	Legal Counsel 3	80
Darrach, Bruce	Information Technologist 3	62
Drever, Bruce	Legal Counsel 3	96
Fergusson, John	Legal Counsel 2	89
Jachetta, Peter	Legal Counsel 3	94
Knowlton, Joanna	Legal Counsel 3	96
Kozusko, Norman	Information Technologist 4	67
Sallans, David	Management Analyst 3	64
Shaprio, Laurie	Estates Officer 4	51

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2002

18. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability at March 31, 2002 has been calculated to be $ 414 (2001 - $ 369).

OFFICE OF THE FIRE COMMISSIONER

FINANCIAL STATEMENTS

MARCH 31, 2002

Management's Report

For the year ended March 31, 2002:

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In the management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 31, 2002.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with Canadian generally accepted accounting principles. The auditor's report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Douglas Popowich
Fire Commissioner

Brian A. Hodge, CGA
Comptroller

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Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Office of the Fire Commissioner** as at March 31, 2002 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 31, 2002

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Balance Sheet

March 31	2002	2001
	(000's)	
Assets		
Current Assets		
Cash	$ 2,341	$ 87
Short-term investments (Note 3)	2,390	5,368
Accounts receivable (Note 4)	971	860
Accrued interest	1	8
Inventory	30	35
Prepaid expenses	23	29
	5,756	6,387
Capital assets (Note 6)	5,554	5,840
	$ 11,310	$ 12,227
Liabilities and Equity		
Current Liabilities		
Accounts payable	$ 92	$ 706
Accrued liabilities	451	458
Deferred revenue	133	135
	676	1,299
Severance (Note 7)	358	359
	1,034	1,658
Equity		
Retained earnings	10,276	10,569
	$ 11,310	$ 12,227

Approved on behalf of the Special Operating Agency Advisory Board:

Chairperson

Fire Commissioner

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Operations and Retained Earnings

For the year ended March 31

(000's)

	2002 Actual	2001 Actual	Variance	Budget	Budget Variance
Revenue					
Levy	$ 3,479	$ 3,282	$ 197	$ 3,287	$ 192
Permits, Plan Review & Per Capita	807	944	(137)	1,295	(488)
Tuition & Contract Revenue	1,120	941	179	1,202	(82)
Interest	136	234	(98)	227	(91)
Inspections	7	(7)	14	-	7
Emergency Services Conference	83	82	1	86	(3)
Book Sales	21	6	15	2	19
Rent	1	2	(1)	4	(3)
Water Bomber Recovery	-	-	-	100	(100)
Other Revenue	39	43	(4)	12	27
	5,693	5,527	166	6,215	(522)
Expenses					
Salaries and Benefits	2,939	2,823	116	3,614	(675)
Amortization	423	449	(26)	449	(26)
Vehicle Lease	313	268	45	270	43
Travel	308	289	19	325	(17)
Repairs and Maintenance	261	156	105	98	163
Phone	151	147	4	145	6
Mutual Aid	163	125	38	206	(43)
Rent	166	166	-	152	14
Desktop Management	213	212	1	192	21
Grant in Lieu of Taxes	107	111	(4)	110	(3)
Labour Services	81	81	-	73	8
Supplies	235	226	9	231	4
Public Education Material	58	54	4	65	(7)
Marketing	24	50	(26)	34	(10)
Utilities	63	60	3	59	4
Insurance	78	62	16	58	20
Professional services	218	211	7	181	37
Postal & Courier	38	44	(6)	41	(3)
Professional Development	6	11	(5)	20	(14)
Land Lease	10	10	-	10	-
Publications	16	13	3	29	(13)
Buildings Standards Board	3	1	2	1	2
S.O.A. Board	2	1	1	4	(2)
Books	21	2	19	-	21
Search and Rescue	20	-	20	101	(81)
Water Bombing	-	-	-	100	(100)
Other	69	68	1	77	(8)
	5,986	5,640	346	6,645	(659)
Net income (loss) for the year	(293)	(113)	(180)	(430)	137
Retained earnings, beginning of year	10,569	10,682			
Retained earnings, end of year	$ 10,276	$ 10,569			

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The
Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31	2002	2001
	(000's)	
Cash Flows from Operating Activities		
Net income (loss) for the year	$ (293)	$ (113)
Items not involving cash		
Amortization of capital assets	423	449
Pension and severance expense	-	199
	130	535
Net change in non-cash working capital balances	(717)	1,303
	(587)	1,838
Cash Flows from Investing Activities		
Purchase of capital assets	(137)	(205)
Transfer to pension fund	-	(188)
Revenue sharing	-	(300)
	(137)	(693)
Increase (decrease) in cash and cash equivalents during the year	(724)	1,145
Cash and cash equivalents, beginning of year	5,455	4,310
Cash and cash equivalents, end of year	$ 4,731	$ 5,455
Represented by:		
Cash and bank	$ 2,341	$ 87
Short-term investments	2,390	5,368
	$ 4,731	$ 5,455

The accompanying notes are an integral part of these financial statements.

1. NATURE OF THE OFFICE OF THE FIRE COMMISSIONER

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at $11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Government of Manitoba (Labour) assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner will continue to be part of the Department of Labour and ultimately under the policy direction of the Minister of Labour.

The Office of the Fire Commissioner will remain bound by relevant legislation and regulations. It will also remain bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba, as it derives most of its revenues from the Fires Prevention Levy.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are presented in accordance with generally accepted accounting principles.

b) Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Accounting estimates and assumptions

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

d) Inventory

Inventory is valued at cost.

e) Capital assets

Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Office provides for amortization of its capital assets on the following basis:

Buildings	40 years straight line
Practical training site	20 years straight line
Equipment	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	5 years straight line

The half-rate rule is applied to computer equipment and software additions during the year.

f) Revenue recognition

The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2001 calendar year will be recognized as revenue in the fiscal year ending March 31, 2002. The levy rate is set at 1.25%.

All other revenue is recognized when earned.

3. INVESTMENTS

The Investment Balance represents funds on deposit with the Department of Finance of the Province of Manitoba with maturities of less than one (1) year. Investments on deposit with maturities greater than one (1) year are classified as long term.

4. ACCOUNTS RECEIVABLE

Accounts receivable includes $559 due from the Province of Manitoba, which represents $248 in estimated unpaid vacation pay and overtime as at March 31, 1996, $282 representing the estimated liability for severance pay (see note 7) as at April 1, 1998, $29 as at March 31, 2000 representing severance plan amendment costs net of an actuarial valuation gain (see note 7). The timing of the collection of these receivables will vary for each SOA. The receivable, or portion thereof, for the Office of the Fire Commissioner will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

The accounts receivable balance is made up of the following:

	2002	2001
Insurance Branch of Department of Consumer & Corporate Affairs	$ 400	$ 280
Province of Manitoba	559	559
Other	12	21
	$ 971	$ 860

5. PENSION ASSETS

As of March 31, 2001, the Province assumed responsibility for administering the SOA's pension liabilities (see Note 8)

6. CAPITAL ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	$ 4,043	$ -	$ -	$ 4,043
Training site	1,887	14	-	1,901
Equipment	932	119	-	1,051
Fire engines	459	-	-	459
Other vehicles	204	-	-	204
Air compressors	179	-	-	179
Furniture	70	-	-	70
Computers	118	4	-	122
Total cost	$ 7,892	$ 137	$ -	$ 8,029

	Opening Accumulated Amortization	Disposition	Current Year's Amortization	Accumulated Amortization
Building	$ 591	$ -	$ 120	711
Training site	285	-	95	380
Equipment	512	-	106	618
Fire Engines	298	-	48	346
Other vehicles	163	-	12	175
Air compressors	109	-	14	123
Furniture	46	-	4	50
Computers	48	-	24	72
Total amortization	$ 2,052	$ -	$ 423	$ 2,475
Net capital assets	$ 5,840			$ 5,554

7. SEVERANCE LIABILITY

Effective April 1, 1998, The Office of the Fire Commissioner began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by The Office of the Fire Commissioner's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $282 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Office of the Fire Commissioner will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

7. SEVERANCE LIABILITY (continued)

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed. The liability as at March 31, 2000 was restated to $340 and the receivable from the Province was restated to $311 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $358 as at March 31, 2002.

8. EMPLOYEE PENSION LIABILITY

Employees of the Office of the Fire Commissioner are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees, subject to the following conditions.

During the 2002 fiscal year, in accordance with the terms of the agreement, the Agency transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001. Commencing April 1, 2001, the Agency is also required to pay to the Province an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, the Agency has discharged its pension obligations and has no outstanding liability.

9. CONTRIBUTED CAPITAL

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

a) not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and

b) record the balance of $11,038 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, buildings are being amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased $241 as at April 1, 1996 to $11,279.

10. COMMITMENTS AND CONTINGENCIES

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the Lease is five (5) years commencing June 11, 1997 and expiring May 31, 2002, with four (4) five-year renewal options. Minimum annual rent is $10 due in equal monthly instalments, plus all operating costs with respect to the subject land.

The Office of the Fire Commissioner has entered into 29 vehicle lease agreements and 4 equipment lease agreements which give rise to commitments as follows:

	March 31
2003	$ 194
2004	122
2005	63
2006	42
	$ 421

At the end of each lease, the Agency is obligated to pay any shortfall between the net proceeds on vehicle disposition and the agreed residual value.

Subsequent to year end, a statement of claim has been issued against the Office of the Fire Commissioner for damages as a result of unsuitable roofing materials. In the opinion of management, the outcome of the lawsuit, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

11. PUBLIC SECTOR COMPENSATION

Pursuant to disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to the Advisory Board members. During the fiscal year ended March 31, 2002, the following employees received compensation of wages and taxable benefits of $50 or more:

Name	Position	2002	2001
D.M. Popowich	Fire Commissioner	$ 81	$ 79
D.B. Monkman	Fire Investigator	73	62
C.R. Sanderson	Deputy Fire Commissioner	72	68
K. Swan	Fire Investigator	67	60
A. J. Campbell	Manager, Codes & Standards	64	57
R.D. Gillis	Fire Investigator	64	62
R. Pearson	Emergency Services Officer	63	51
C. Hogarth	Fire Investigator	63	60
G. Kurdydyk	Fire Investigator	60	62
R.C. Denslow	Emergency Services Officer	60	51
M.C. Bedford	Emergency Services Officer	58	55
B.D. Bryan	Medical Services Officer	57	58

11. PUBLIC SECTOR COMPENSATION (continued)

Name	Position	2002	2001
K. Bong Hwan	Analyst	$ 56	$ -
L. Treloar	Fire & Building Standards Officer	55	52
B.J. Metruk	Fire & Building Standards Officer	54	51
D.R. Beacham	Fire & Building Standards Officer	53	52
K. Carmichael	Emergency Services Officer	53	51
T.J. Jennings	Fire & Building Standards Officer	52	51
J.P. Lebel	Manager, Emergency Services	52	52
B.E. Hollier	Executive Projects Manager	52	-
S. Hall	Fire & Building Standards Officer	52	50
K.D. Hykawy	Fire & Building Standards Officer	52	51
T. Grimshaw	Fire & Building Standards Officer	52	-
A.D. Gray	Emergency Services Officer	52	-
R. Harvey	Emergency Services Officer	52	51
B.D. Popko	Manager, MESC	51	51
E. Moore	Emergency Services Officer	50	-
K.J. Nero	Comptroller	-	63

FOOD DEVELOPMENT CENTRE

Financial Statements
(In Thousands)

Year Ended March 31, 2002

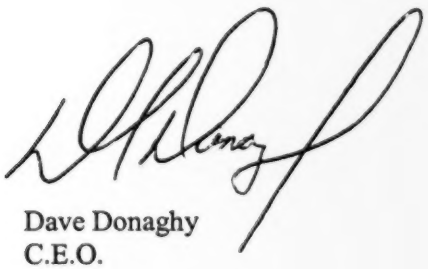
APPENDIX I. AUDITED FINANCIAL STATEMENTS

Responsibility for Financial Reporting

The Agency is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accorance with generally accepted account principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by The Exchange, independent external auditors.

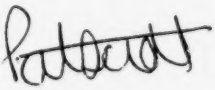
The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and those assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting, and to discuss audit results. The auditors have free and full access to this Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.



Dave Donaghy
C.E.O.

June 12, 2002



Pat Scott
General Manager

June 12, 2002

FOOD DEVELOPMENT CENTRE

Index to Financial Statements

Year Ended March 31, 2002

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Income and Retained Earnings	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 8
Administrative Expenses	9

THE EXCHANGE

chartered accountants

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Food Development Centre , an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2002 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the centre as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

THE EXCHANGE

chartered accountants

Winnipeg, Manitoba
June 12, 2002

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FOOD DEVELOPMENT CENTRE

Balance Sheet
(In Thousands)

March 31, 2002

	2002	2001
ASSETS		
CURRENT		
Cash	$ 2	$ 2
Accounts receivable *(Note 3)*	232	181
Prepaid expenses	35	31
	269	214
FIXED ASSETS *(Note 2, 4)*	229	326
CASH HELD ON DEPOSIT *(Note 5)*	27	27
SEVERANCE RECEIVABLE FROM PROVINCE *(Note 11, 12)*	41	41
	$ 566	$ 608
LIABILITIES		
CURRENT		
Working capital payable	$ 257	$ 400
Accounts payable and accrued liabilities	85	65
Accrued vacation pay *(Note 7)*	87	93
Unearned revenue	34	30
	463	588
SEVERANCE LIABILITY *(Note 11)*	58	50
	521	638
RETAINED EARNINGS (DEFICIT)	45	(30)
	$ 566	$ 608

FOOD DEVELOPMENT CENTRE

Statement of Income and Retained Earnings
(In Thousands)

Year Ended March 31, 2002

	2002	2001
REVENUE		
Contract - Province of Manitoba	$ 1,322	$ 912
Contract - National Research Council	50	43
Fee for service	187	235
Consulting and training services	68	104
Lease income	104	33
Interest and other income	109	137
	1,840	1,464
DIRECT OPERATING EXPENSES		
Lab supplies	45	47
Purchased services	39	85
Travel	80	66
Salaries	935	832
Postage, courier and telephone	44	38
Printing and stationery	18	19
Marketing	72	43
Library	54	51
Satellite Office	5	-
	1,292	1,181
	548	283
ADMINISTRATIVE EXPENSES *(Page 9)*	426	449
INCOME (LOSS) FROM OPERATIONS	122	(166)
OTHER INCOME (EXPENSES)		
Write down of other assets	(47)	(5)
Gain on disposal of fixed assets	-	41
Deficit funding - Province of Manitoba	-	100
	(47)	136
NET INCOME (LOSS)	75	(30)
DEFICIT - BEGINNING OF YEAR	(30)	-
RETAINED EARNINGS (DEFICIT) - END OF YEAR	$ 45	$ (30)

FOOD DEVELOPMENT CENTRE

Statement of Cash Flows
(In Thousands)

Year Ended March 31, 2002

	2002	2001
OPERATING ACTIVITIES		
Net income (loss)	$ 75	$ (30)
Items not affecting cash:		
Amortization	76	78
Gain on disposal of assets	-	(41)
Write down of other assets	47	5
	198	12
Changes in non-cash working capital:		
Accounts receivable	(51)	13
Cash held on deposit	-	(26)
Receivable from the Province of Manitoba	-	321
Severance pay receivable from Province	-	42
Prepaid expenses	(4)	11
Accounts payable	20	(50)
Accrued vacation pay	(6)	(18)
Severance pay liability	8	(36)
Unearned Revenue	4	(17)
	(29)	240
Cash flow from operating activities	169	252
INVESTING ACTIVITIES		
Additions to fixed assets	(26)	(49)
Proceeds on disposal of fixed assets	-	142
Cash flow from (used by) investing activities	(26)	93
FINANCING ACTIVITIES		
Decrease in capital lease obligation	-	(41)
Cash flow used by financing activities	-	(41)
INCREASE IN CASH FLOW	143	304
DEFICIENCY - Beginning of year	(398)	(702)
DEFICIENCY - End of year	$ (255)	$ (398)
DEFICIENCY CONSISTS OF:		
Cash	$ 2	$ 2
Bank indebtedness	(257)	(400)
	$ (255)	$ (398)

FOOD DEVELOPMENT CENTRE

Notes to Financial Statements
(In Thousands)

Year Ended March 31, 2002

1. NATURE OF ORGANIZATION

Established in 1977, as part of the Manitoba Research Council, the Food Development Centre serves the agri-food industry by providing a wide range of services in the food, feed and beverage industries. Food Development Centre offers food product development research, testing services and assistance with technology transfer to enable industry to efficiently and economically produce high quality foods.

Effective April 1, 1996, the Food Development Centre was designated as a Special Operating Agency by regulation under The Special Operating Agencies Financing Authority Act made by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. The financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement with the Financing Authority assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of the Financing Authority.

The Food Development Centre is a part of the Department of Agriculture and Food under the general direction of a General Manager and Chief Executive Officer, and ultimately the policy direction of the Deputy Minister and Minister.

The Food Development Centre remains bound by relevant legislation and regulations.

The Food Development Centre is economically dependent upon the Province of Manitoba, as it derives a significant portion of its revenue from the Province.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fixed Assets

Fixed assets assumed as part of the conversion to a Special Operating Agency, April 1, 1996 are stated at their estimated fair value as determined by the Province. Fixed assets are stated at cost less accumulated amortization. Fixed assets are amortized over their estimated useful lives at the following rates and methods:

Equipment and sign	20%	declining balance method
Computer hardware and software	20%	straight-line method
Signage	20%	declining balance method

Other Assets

Research and development costs are expensed as incurred.

Revenue Recognition

Fee for service revenue is recognized on percentage of completion basis.

All funds received and due from the Province of Manitoba at year end have been recognized as income in the current year.

3. ACCOUNTS RECEIVABLE

The accounts receivable balance is comprised of the following amounts:

	2002	2001
Trade accounts receivable	$ 292	$ 243
Allowance for doubtful accounts	(61)	(65)
Work in progress	-	3
	$ 231	$ 181

4. FIXED ASSETS

	Cost	Accumulated amortization	2002 Net book value	2001 Net book value
Equipment and sign	$ 397	$ 204	$ 193	$ 271
Computer hardware and software	138	102	36	55
	$ 535	$ 306	$ 229	$ 326

Included in fixed assets is equipment with a net book value of $1 (2001 - $100), which is being leased to clients of the Food Development Centre.

5. FUNDS HELD ON DEPOSIT

Effective April 1, 2000, the assets and liabilities of the analytical services division were sold to Norwest Soil Research Ltd. The Agency has received a $25 deposit from Norwest Soil Research Ltd. as part of the sales agreement. Under the agreement, Norwest must maintain certain levels of revenue from work performed in the Province of Manitoba for a period of five years from the effective date of the agreement. If they fail to meet these conditions, the deposit and accrued interest are forfeited to the Food Development Centre.

6. WORKING CAPITAL PAYABLE

The Agency has an authorized line of working capital of $1,000 of which $257 was used as at March 31, 2002 (2001 - $400 was used).

7. ACCRUED VACATION PAY

The employees of the Food Development Centre are entitled to vacation pay in the current year, based on the prior year's employment. A provision for this liability has been recorded in the financial statements.

8. DEFICIENCY IN ASSETS

The Special Operating Agencies Financing Authority and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer, from the Provincial Government to the Financing Authority, of the net assets required for the continuing operations of the Food Development Centre. As at April 1,1996, the date of transfer, the liabilities assumed exceeded the value of the assets in the amount of $35. This amount was recorded as the deficit at April 1, 1996.

9. PUBLIC SECTOR COMPENSATION DISCLOSURE

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding $50 annually to any officer or employee of the Province of Manitoba. the following employees received compensation in excess of $50:

	2002	2001
Utioh, Alphonsus - Manager Product and Process Development	$ 92	$ 80
Scott, Pat - Controller/General Manager	79	72
Schmulgen, Markus - Business Development Co ordinator	54	58
Offet, Gerald - Former General Manager (Interchange Agreement)	79	-

10. COMMITMENT

The Food Development Centre is obligated to make payments to Workers Compensation for an employee currently on disability. The total financial impact impact on the Centre is not determinable since the length of time the payments will be required is unknown.

The Centre has not entered into a lease agreement with the Province of Manitoba for its premises.

11. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency is recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Agency. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $83 was completely offset by a receivable from the Province. An adjustment was made in 2001 to reduce the receivable from the Province to $41. There are no terms of repayment for this receivable, and the amount will remain fixed at $41.

12. SEVERANCE RECEIVABLE FROM PROVINCE

The receivable from the Province of Manitoba is for severance pay benefits earned by the employees of Food Development Centre to March 31, 1998. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this in only likely to happen on the dissolution of the Food Development Centre.

13. PENSION LIABILITY

In accordance with the provisions of The Civil Service Superannuation Act, employees of the Agency are required to contribute to the Civil Service superannuation fund at prescribed rates for defined benefits. The Agency matches the employees' contributions to the Fund. Under this Act, Food Development Centre has no further pension liability. The amount contributed and expensed by the Agency in the current year was $39 (2001 - $35).

14. FINANCIAL INSTRUMENTS

The centre's financial instruments consist of cash, accounts receivable, investment, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

FOOD DEVELOPMENT CENTRE

Administrative Expenses
(In Thousands)

Year Ended March 31, 2002

	2002	2001
ADMINISTRATIVE EXPENSES		
Advisory committee fees	$ -	$ 1
Accreditation and licensing fees	3	3
Amortization	76	78
Professional fees	10	33
Bad debts	22	26
Occupancy expenses	211	196
Computer expenses	9	17
Equipment operating costs	27	30
Fees and memberships	6	6
Repairs and maintenance	16	16
Insurance	24	22
Interest	2	10
Staff training	15	8
Staff relocation	5	3
	$ 426	$ 449

Grant Thornton LLP
Chartered Accountants
Management Consultants
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Grant Thornton International

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The Property Registry
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Financial Statements

March 31, 2002

MANAGEMENT'S REPORT

To the Special Operating Agencies Financing Authority

The accompanying financial statements and the information in the Annual Report are the responsibility of the management of The Property Registry. The financial statements have been prepared in accordance with generally accepted accounting principles and include amounts that are based on management's best estimates and judgements.

In support of its responsibility, management has developed and maintains a system of internal controls designed to provide reasonable assurance that transactions are authorized, financial reporting is reliable, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

The financial statements have been audited by our external auditors, Grant Thornton, who report to the Special Operating Agencies Financing Authority.

On behalf of Management,

Richard M. Wilson, B.A., LL.B.
Registrar General and
Chief Operating Officer

E. Brian Strong, CMA
Director
Finance and Systems

Contents

	Page
Auditors' Report	1
Balance Sheet	2
Statements of Earnings and Retained Earnings	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-9
Schedule 1 - Operating Expenses	10
Schedule 2 - Public Sector Compensation Disclosure	11

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Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Property Registry, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2002 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
June 10, 2002

Chartered Accountants

900 - One Lombard Place
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Fax: (204) 942-8553

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Balance Sheet

(In Thousands)

March 31	2002	2001
Assets		
Current		
Cash and short-term investments	$ 5,053	$ 3,148
Customer deposits	1,249	1,271
Pension investment account (Note 7)		1,459
Accounts receivable (Note 3)	105	129
Prepaid expenses	59	57
	6,466	6,064
Due from Province of Manitoba (Note 4)	1,622	1,784
Capital assets, net of accumulated amortization (Notes 2 and 5)	395	400
	$ 8,483	$ 8,248
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 1,988	$ 907
Accrued pension costs (Note 7)		1,598
Deferred revenue	1,252	1,273
Land titles assurance fund (Note 6)	33	69
Severance payable (Note 8)	256	256
Current portion of capital lease obligations (Note 9)	16	
	3,545	4,103
Long-term severance payable (Note 8)	962	926
Capital lease obligations (Note 9)	43	
	4,550	5,029
Equity		
Retained earnings	3,933	3,219
	$ 8,483	$ 8,248

Commitments (Note 9)

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statements of Earnings and Retained Earnings

(In Thousands)

Year Ended March 31	2002	2001
Revenues		
Land transfer tax (Note 10)	$ 13,659	$ 12,487
Fee revenue - Land Titles	8,833	8,035
Fee revenue - Personal Property Registry	5,640	4,718
Cost recoveries (Note 2)	580	678
Interest income	85	180
Loss on disposal of capital assets	(1)	
	28,796	26,098
Less: tax revenues transferred to Province	(13,659)	(12,487)
	15,137	13,611
Expenses		
Salaries and employee benefits	7,577	7,420
Operating expenses (Schedule 1)	3,595	2,510
Amortization	151	117
	11,323	10,047
Net earnings	$ 3,814	$ 3,564
Retained earnings, beginning of year		
As previously reported	$ 3,219	$ 3,993
Adjustment for pension expense applicable to the preceding year		162
As restated	3,219	4,155
Net earnings	3,814	3,564
Net earnings paid to the Province of Manitoba	(3,100)	(4,500)
Retained earnings, end of year	$ 3,933	$ 3,219

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statement of Cash Flows

(In Thousands)

Year Ended March 31	2002	2001
Increase (decrease) in cash and cash equivalents		
Cash flows from (used in) operating activities		
Net earnings	$ 3,814	$ 3,564
Amortization	151	117
	3,965	3,681
Changes in non-cash operating working capital		
Pension investment account	1,459	(543)
Customer deposits	22	(149)
Accounts receivable	24	(31)
Prepaid expenses	(2)	(8)
Due from Province of Manitoba	162	162
Accounts payable and accrued liabilities	1,081	(4)
Deferred revenue	(21)	151
Accrued pension costs	(1,598)	238
Land titles assurance fund deposits	(36)	3
Severance payable – current portion		7
Severance payable – long term portion	36	59
	5,092	3,566
Cash flows from (used in) investing activities		
Purchase of capital assets	(146)	(253)
Cash flows from (used in) financing activities		
Obligations under capital lease	59	
Net earnings paid to the Province of Manitoba	(3,100)	(4,500)
	(3,041)	(4,500)
Net increase (decrease) in cash and cash equivalents	1,905	(1,187)
Cash and cash equivalents		
Beginning of year	3,148	4,335
End of year	$ 5,053	$ 3,148

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Notes to the Financial Statements
(In Thousands)
March 31, 2002

1. Nature of organization

Effective April 1, 1997, the Lieutenant Governor in Council designated The Property Registry as a Special Operating Agency under The Special Operating Agencies Financing Authority Act. The order also directed the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs to enter into a management agreement with respect to The Property Registry. The Property Registry was established to operate the Land Titles and Personal Property Registry offices on a self-sustaining financial basis while providing a standard of service that will meet the needs of its clients.

The Property Registry continues to be a part of the Department of Consumer and Corporate Affairs under the general direction of the Deputy Minister of Consumer and Corporate Affairs, who is also Chairperson of The Property Registry's Advisory Board. The Property Registry remains bound by relevant legislation, regulation and administrative policy as specified in its operating charter.

The Property Registry's financial contribution to the Province of Manitoba is included in the Manitoba Estimates of Revenue - Crown Corporations/Entities.

2. Summary of significant accounting policies

Basis of reporting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied on an accrual basis.

Capital assets

Capital assets are recorded at cost and amortization is computed using the straight-line method based on remaining estimated useful lives, after allowance for salvage value, where applicable. Capital assets transferred to The Property Registry at April 1, 1997 each have estimated remaining useful lives of up to five years and were valued at their remaining unamortized capital cost at that date, which represents the acquisition cost for The Property Registry. Therefore, the effective rate of amortization for those older capital assets may exceed the annual rates noted below:

Computer system	20% (10% in year of acquisition)
Office equipment	20%
Leasehold improvements	20%
Equipment under capital lease	20% (10% in year of acquisition)

2. Summary of significant accounting policies - continued

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Cost recoveries and fee waiver

Included in revenues are recoveries of costs or fee equivalent for services provided to other provincial government offices where no statutory provision precludes cost recovery.

3. Accounts receivable

	2002	2001
The following items are included in accounts receivable:		
Trade receivable	$ 78	$ 91
Receivable from government and departments	27	38
	$ 105	$ 129

4. Due from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of certain agencies prior to their designation as Special Operating Agencies (SOAs). It also includes severance pay benefits earned by SOA employees to March 31, 1998. The balance is comprised of:

Vacation entitlements	$ 546	$ 546
Severance pay benefits	1,076	1,076
Funding for deferred contributions		162
	$ 1,622	$ 1,784

The timing of the collection of these receivables will vary for each SOA. The receivable, or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

5. Capital assets

	Cost	Accumulated Amortization	2002 Net Book Value	2001 Net Book Value
Computer system	$ 188	$ 75	$ 113	$ 139
Office equipment	370	231	139	147
Leasehold improvements	186	106	80	114
Equipment under capital lease	70	7	63	
	$ 814	$ 419	$ 395	$ 400

6. Land titles assurance fund

Claims have been filed against the Property Registry for incidents which arose in the ordinary course of business. One such claim will likely be resolved for an amount currently estimated to be $30 plus costs and interest. The outcome of all other claims is not determinable.

Claims for loss as provided for in The Real Property Act are paid from the Land Titles Assurance Fund. The Agency's Land Titles Branch is responsible for the collection of deposits and the defense against claims on this fund. Claims in excess of the fund balance are paid out of the Consolidated Revenue Fund.

7. Employee pension liability

Pension liability

Employees of the Property Registry are eligible for pension benefits in accordance with the provision of the Civil Service Superannuation Act., administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Property Registry transferred to the Province the pension liability for its employees, subject to the following conditions. During the 2002 fiscal year, in accordance with the terms of the agreement, the Property Registry transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001. Commencing April 1, 2001, the Property Registry is also required to pay to the province, an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, the Property Registry has discharged its pension obligations and has no outstanding liability.

8. Severance payable

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for it's employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998, calculated at $1,041 was completely offset by a receivable from the Province. There are no fixed terms for payment.

An actuarial valuation report of the Agency's severance as at March 31, 2001, was recently completed. The liability as at March 31, 2001, was restated to $1,116 and the receivable from the Province was restated to 1,076 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2001. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $1,218 as at March 31, 2002.

9. Commitments

The Agency has entered into a Memorandum of Understanding with Manitoba Government Services (MGS) to lease its premises. The accommodation charges are established annually by MGS, and are based on its approved budget.

The Agency has also entered into agreements to lease equipment. These agreements carry various terms and conditions.

The estimated minimum lease payments for the premises and equipment in aggregate for each of the next five years are as follows:

	Capital Lease	Premises	Equipment	Total
2003	22	$ 809	$ 60	$ 891
2004	21	828	61	910
2005	21	847	64	932
2006	5	866	82	953
2007		886	83	969
Total minimum lease payments	69	$ 4,236	$ 350	$ 4,655
Less: Imputed interest	(10)			
Balance of obligations under capital leases	59			
Less: Current portion	(16)			
	$ 43			

10. Land transfer tax

Land transfer tax is administered and collected by The Property Registry. Tax collected less refunds issued is remitted to the Consolidated Revenue Fund of the Province of Manitoba. Adjustments and refunds of land transfer tax are paid out of Department of Finance under the advice of the Registrar General.

The Property Registry — Schedule 1

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Operating Expenses

(In Thousands)

Year Ended March 31,	2002	2001
Better Systems Initiative	$ 943	$
Computer processing	278	314
Department services	181	87
Desktop services	353	312
Equipment lease	56	104
Interest and bank charges	21	13
Occupancy costs	754	747
Office supplies and printing	204	165
POS costs	7	7
Postage and delivery	214	206
Professional fees	43	24
Publications and subscriptions	25	23
Records preservation project	61	133
Repairs and maintenance	76	60
Special surveys	63	33
Sundry	10	11
Survey remonumentation program	117	130
Telephone	85	80
Training and staff development	55	22
Travel	49	39
	$ 3,595	$ 2,510

The Property Registry — Schedule 2

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Public Sector Compensation Disclosure

(In Thousands)
Year Ended March 31, 2002

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50,000 per annum. This information is as follows:

Employee	Position	Amount
Cavers, H. G.	Project Director, Business Services	$ 68
Cavers, R. G.	Release Manager	54
Crockatt, D.	Registrar, Personal Property Security	64
Davidson, R. E.	Senior Deputy District Registrar	82
Effler, B. C.	Deputy Registrar General, District Registrar	92
Fraser, G. R. S.	Examiner of Surveys	77
Fraser, J.	Deputy District Registrar	82
Johnston, B. G.	District Registrar	68
Kushniruk, J.	District Registrar	92
Lillie, G.	District Registrar	71
Lund, G. A.	Deputy Examiner of Surveys	66
Madsen, B. O.	Acting Director of Operations	51
Russel, C.	District Registrar	57
Schoen, F. N.	Deputy District Registrar	92
Sims, E.	District Registrar	78
Stevenson, A.C.	Computer and Systems Coordinator	51
Wilson, R. M.	Registrar General and Chief Operating Officer	95

MANITOBA SECURITIES COMMISSION

Financial Statements
For the year ended March 31, 2002

BDO Dunwoody LLP
Chartered Accountants
and Consultants

THE MANITOBA
SECURITIES
COMMISSION

RESPONSIBILITY FOR FINANCIAL REPORTING

The Commission's management is responsible for preparing the financial statements and other financial information in the Annual Report. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgments. The Commission's financial statements have been audited by BDO Dunwoody, independent external auditors.

The Commission maintains accounting and internal control systems to provide reasonable assurance that its financial information is reliable and accurate and that its assets are adequately protected.

The Commission's management meets regularly to review the financial statements and accounting practices. The auditors have free and full access to management, if required to discuss results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On behalf of management,

Donald G. Murray
Chair and C.E.O.

Robert B. Bouchard
Chief Administrative Officer

Roman Jaworsky
Controller

1130-405 Broadway
Winnipeg, Manitoba R3C 3L6

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MANITOBA SECURITIES COMMISSION

Financial Statements
For the year ended March 31, 2002

Contents

Auditors' Report	2
Financial Statements	
Balance Sheet	3
Statement of Income	4
Statement of Retained Earnings	5
Statement of Reserve Funds	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7
Notes to Financial Statements	8
Supplementary Information to the Financial Statements	
Schedule of Operating Expenses	11
Schedule of Public Sector Compensation Disclosure	12

BDO

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Chartered Accountants
and Consultants
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Winnipeg Manitoba Canada R3C 4L5
Telephone: (204) 956-7200
Telefax: (204) 926-7201

Auditors' Report

To The Special Operating Agencies Financing Authority:

We have audited the balance sheet of **MANITOBA SECURITIES COMMISSION, AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY, PROVINCE OF MANITOBA** as at March 31, 2002 and the statements of income, retained earnings, reserve funds and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 14, 2002

MANITOBA SECURITIES COMMISSION
Balance Sheet
(in thousands)

March 31	2002	2001
Assets		
Current Assets		
Cash and short-term deposits (Note 1)	$ 3,048	$ 4,065
Accounts receivable (Note 2)	87	26
Prepaid expenses	30	11
	3,165	4,102
Restricted short-term deposits (Note 3)	905	670
Receivable from the Province of Manitoba (Note 4)	269	269
Capital assets (Note 5)	487	632
	$ 4,826	$ 5,673
Liabilities and Equity		
Current Liabilities		
Accounts payable (Note 6)	$ -	$ 163
Accrued liabilities	47	29
Accrued vacation entitlements (Note 7)	159	175
Accrued salaries and benefits	38	51
	244	418
Severance pay liability (Note 8)	163	164
	407	582
Commitments (Note 9)		
Reserve Fund (Note 10) (Page 5)	905	670
Retained earnings (Page 5)	3,514	4,421
	4,419	5,091
	$ 4,826	$ 5,673

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA SECURITIES COMMISSION
Statement of Income
(in thousands)

For the year ended March 31	2002	2001
Revenue		
Fees	$ 7,654	$ 7,401
Interest	164	167
Miscellaneous	7	8
	7,825	7,576
Expenses		
Salaries and benefits	1,927	1,908
Operating expenses (Page 11)	889	794
Amortization - capital assets	181	169
	2,997	2,871
Net earnings for the year (Page 5)	$ 4,828	$ 4,705

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA SECURITIES COMMISSION
Statement of Retained Earnings
(in thousands)

For the year ended March 31	2002	2001
Retained earnings, beginning of year	$ 4,421	$ 1,551
Net earnings for the year (Page 4)	4,828	4,705
Disposition of surplus operating funds (Note 11)	(5,500)	(1,600)
Allocation to Reserve Fund	(235)	(235)
Retained earnings, end of year (Page 3)	$ 3,514	$ 4,421

Statement of Reserve Funds
(in thousands)

For the year ended March 31	2002	2001
Balance, beginning of year	$ 670	$ 435
Allocation from retained earnings	235	235
Balance, end of year (Page 3)	$ 905	$ 670

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA SECURITIES COMMISSION
Statement of Cash Flows
(in thousands)

For the year ended March 31	2002	2001
Cash Flows from Operating Activities		
Net earnings for the year	$ 4,828	$ 4,705
Adjustment for		
Amortization - capital assets	181	169
	5,009	4,874
Changes in non-cash working capital		
Accounts receivable	(61)	(20)
Prepaid expenses	(19)	10
Accounts payable	(163)	163
Accrued liabilities	18	4
Accrued vacation entitlements	(16)	30
Accrued salaries and benefits	(13)	19
Pension liability	-	(75)
Severance pay liability	(1)	(3)
	(255)	128
	4,754	5,002
Cash Flows from Investing Activities		
Acquisition of capital assets	(36)	(60)
Transfer to restricted short-term deposits	(235)	(158)
	(271)	(218)
Cash Flows from Financing Activities		
Disposition of surplus operating funds	(5,500)	(1,600)
Repayment of long-term debt	-	(598)
	(5,500)	(2,198)
Net increase (decrease) in cash and cash equivalents	(1,017)	2,586
Cash and cash equivalents, beginning of year	4,065	1,479
Cash and cash equivalents, end of year	$ 3,048	$ 4,065

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

MANITOBA SECURITIES COMMISSION
Summary of Significant Accounting Policies

March 31, 2002

Nature of Organization

Effective April 1, 1999 the Lieutenant Governor in Council designated the Manitoba Securities Commission as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. c.S185) by Order in Council No. 144/1999. The Order also gave approval to the Special Operating Agencies Financing Authority and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Commission, to enter into a management agreement with respect to the Agency.

A management agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to the Manitoba Securities Commission in delivering regulated services to clients.

Basis of Reporting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost and amortized over their estimated lives as follows:

Office equipment	20% straight-line
Furniture and fixtures	20% straight-line
Leasehold improvements	10% straight-line
Computer hardware	20% straight-line
Computer software	20% straight-line

The half-year rule is used in the year of acquisition.

Revenue Recognition

Fees and cost recoveries are recognized when received. Investment income is recorded on the accrual basis.

1. Cash and Short-term Deposits

The Commission invests all surplus cash into short-term deposits with the Province's Treasury Board; these deposits are made up of 30, 60 and 90 day callable term deposits.

2. Accounts Receivable

	2002	2001
Accrued interest	$ 5	$ 23
Employee computer purchases	1	3
Trade	81	-
	$ 87	$ 26

3. Restricted Short-Term Deposits

	2002	2001
Reserve Fund	$ 905	$ 670

The Commission maintains separate short-term deposits with the Province of Manitoba to fund liabilities arising from the Reserve Fund .

4. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation and severance pay entitlement earned by employees of the Commission prior to creation of the SOA as at April 1, 1999. This receivable, or portion thereof for the Commission, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Commission.

5. Capital Assets

	2002		2001	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	$ 26	$ 5	$ 11	$ 2
Furniture and fixtures	124	36	103	14
Leasehold improvements	113	23	113	12
Computer hardware	117	70	117	46
Computer software	603	362	603	241
	$ 983	$ 496	$ 947	$ 315
Cost less accumulated amortization		$ 487		$ 632

6. Employee Pension Benefits

Employees of the Manitoba Securities Commission are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Manitoba Securities Commission transferred to the Province the pension liability for its employees, subject to the following conditions. During the 2002 fiscal year, in accordance with the terms of the agreement, the Manitoba Securities Commission transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001. Commencing April 1, 2001, the Manitoba Securities Commission is also required to pay to the Province an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, the Manitoba Securities Commission has discharged its pension obligations and has no outstanding liability.

7. Accrued Vacation Entitlements

The Commission follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1999. The liability at this date is offset by a receivable from the Province and was $117 as at March 31, 1999. Any subsequent changes to the entitlement are reflected as a current year expense to the Commission. As at March 31, 2002 there was a decrease to the entitlement in the amount of $16. The accrued vacation entitlement was $159 as of March 31, 2002 (2001 - $175).

8. Severance Pay Liability

Effective April 1, 1999, the Commission began recording accumulated severance pay benefits for its employees. The estimate of the liability at that time was based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Commission's employees to March 31, 1999. Accordingly, the opening severance pay liability balance as at April 1, 1999 calculated at $152 was completely offset by a receivable from the Province.

The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Commission's actuarial liability has been calculated to be $163 as at March 31, 2002 (2001 - $164).

9. Lease Commitment

The Commission has not entered into a lease agreement with the Province of Manitoba for rental of facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2002 are $119.

10. Reserve Fund

The Commission has established a reserve fund to finance extraordinary expenses for isolated and unanticipated purposes that are regulatory in nature, and for changes in market activity that have an effect on revenues. The intent is to fund the reserve, through an annual charge to retained earnings, over four years, until the Fund reaches an accumulated balance of $1 million.

11. Disposition of Surplus Operating Funds

The disposition of surplus operating funds consists of payments made to the Consolidated Revenue Fund of the Province of Manitoba according to Treasury Board Directives.

MANITOBA SECURITIES COMMISSION
Schedule of Operating Expenses
(in thousands)

For the year ended March 31, 2002

	2002	%	2001	%
Contract services	$ 271	30	$ 313	40
CSA Initiatives	84	9	2	-
Education / Information initiatives	18	2	20	3
Miscellaneous	23	3	12	2
Office materials and supplies	105	12	107	13
Premises	119	13	120	15
Professional membership and dues	7	1	6	1
Research resources	26	3	32	4
Professional services	87	10	65	8
Staff development	33	4	15	2
Telecommunications	54	6	51	6
Travel	62	7	51	6
	$ 889	100	$ 794	100

MANITOBA SECURITIES COMMISSION
Schedule of Public Sector Compensation Disclosure
(in thousands)

For the year ended March 31, 2002

EMPLOYEE	TITLE	COMPENSATION
Don Murray	Chairman & CEO	$ 114
Bob Bouchard	CAO & Director of Capital Markets	84
Doug Brown	Director of Legal & Enforcement & Secretary to the Commission	82
Jim Storsley	Registrar - Real Estate	73
Glen Lillies	Compliance Officer	65
Chris Besko	Assistant Legal Counsel	74
Kim Laycock	Assistant Legal Counsel	76
Beverly Berzuk	Executive Assistant to the CEO	57
William Baluk	Investigator	51
Jan Banasiak	Investigator	51
Chris Kowalski	Deputy Registrar - Real Estate	51
Marc Boily	Investigator	51

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum.